

School Jurisdictions

Audited Financial Statements **For the Year Ended August 31, 2004**

Section 2

FFCA Charter School Society
to Mother Earth's Children's
Charter School Society



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School Jurisdictions

Audited Financial Statements **For the Year Ended August 31, 2004**

Section 2

FFCA Charter School Society
to Mother Earth's Children's
Charter School Society

Alberta



School Jurisdictions Audited Financial Statements
For the Year Ended August 31, 2004 - Section 2



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School Jurisdictions Audited Financial Statements

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**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The FFCA Charter School Society

Legal Name of School Jurisdiction

311, 5940 Macleod Trail SW Calgary, Alberta T2H 2G4

Mailing Address

(P) 403-520-3206 (F) 403-520-3209

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTINGThe financial statements and supporting schedules The FFCA Charter School Society

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN**Mr. Rob Jack**

Name

"Original Signed"

Signature

SUPERINTENDENT**Mr. Jay Pritchard**

Name

"Original Signed"

Signature

SECRETARY TREASURER OR TREASURER**Ms. Reta Morgan**

Name

"Original Signed"

Signature

4-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Auditors' Report

To the Board of Directors
The FFCA Charter School Society

We have audited the statement of financial position of The FFCA Charter School Society as at August 31, 2004 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

BDO Dunwoody ^{UP}

Chartered Accountants

Calgary, Alberta
October 19, 2004

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$2,463,570	\$1,130,725
Accounts receivable (net after allowances)	\$518,370	\$211,166
Prepaid expenses	\$65,701	\$221,078
Other current assets	\$27,910	\$0
Total current assets	\$3,075,551	\$1,562,969
School generated assets	(\$0)	\$17,784
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Less: accumulated amortization	\$0	\$0
Equipment	\$48,876	\$10,200
Less: accumulated amortization	(\$38,676)	\$13,600
Vehicles	\$0	\$0
Less: accumulated amortization	\$0	\$0
Total capital assets	\$10,200	\$13,600
TOTAL ASSETS	\$3,085,751	\$1,594,353
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,052,115	\$432,205
Deferred revenue	\$567,946	\$407,129
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$1,620,061	\$839,334
School generated liabilities	(\$0)	\$17,784
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$0	\$0
Total long term liabilities	(\$0)	\$17,784
TOTAL LIABILITIES	\$1,620,061	\$857,118
NET ASSETS		
Unrestricted net assets	\$0	\$0
Operating Reserves	\$1,455,490	\$723,635
Accumulated Operating Surplus (Deficit)	\$1,455,490	\$723,635
Investment in capital assets	\$10,200	\$13,600
Capital Reserves	\$0	\$0
Total Capital Funds	\$10,200	\$13,600
Total net assets	\$1,465,690	\$737,235
TOTAL LIABILITIES AND NET ASSETS	\$3,085,751	\$1,594,353

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$8,349,572	\$8,076,985	\$6,915,272
Alberta Infrastructure	\$2,410,367	\$2,066,118	\$2,248,385
Alberta Finance	\$0	\$0	\$0
Other Government of Alberta	\$0	\$0	\$0
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$148,363	\$149,750	\$168,210
Transportation fees	\$351,491	\$368,822	\$282,911
Other sales and services	\$0	\$0	\$9,633
Investment income	\$33,099	\$5,000	\$8,014
Gifts and donations	\$0	\$0	\$12,998
Rentals of facilities	\$0	\$0	\$0
Net school generated funds	\$127,074	\$0	\$56,595
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
Total Revenues	\$11,419,965	\$10,686,675	\$9,702,018
EXPENSES			
Certificated salaries	\$4,659,619	\$4,686,512	\$4,007,571
Certificated benefits	\$461,717	\$576,637	\$412,681
Uncertificated salaries and wages	\$698,858	\$683,263	\$655,415
Uncertificated benefits	\$103,065	\$82,237	\$80,140
Services, contracts and supplies	\$4,637,778	\$4,653,026	\$4,313,203
Net school generated funds	\$127,074	\$0	\$56,595
Capital and debt services			
Amortization of capital assets			
Supported	\$0	\$0	\$0
Unsupported	\$3,400	\$5,000	\$9,389
Total Amortization of capital assets	\$3,400	\$5,000	\$9,389
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$10,691,511	\$10,686,675	\$9,534,994
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$728,455	\$0	\$167,024
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$728,455	\$0	\$167,024

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$728,455	\$167,024
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	\$0	
Total amortization expense	\$3,400	\$9,389
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$307,204)	\$461,053
Prepays and other current assets	\$127,467	(\$10,642)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$619,910	\$369,083
Deferred revenue	\$160,817	(\$16,323)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,332,845	\$979,584
B. INVESTING ACTIVITIES		
Purchases of capital assets:		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	\$0	\$0
C. FINANCING ACTIVITIES		
Capital allocations received	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$0	\$0
Net sources (uses) of cash equivalents* during year	\$1,332,845	\$979,584
Cash Equivalents at the beginning of the year	\$1,130,725	\$151,141
Cash Equivalents at the end of the year	\$2,463,570	\$1,130,725

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (Columns 5 to 14)	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)										(13) External Services	(14) Unrestricted Capital Reserves						
					(6) School Based												(7) Infrastructure		(8) Board & System Admin.		(9) Transportation	
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves								
Balance at August 31, 2003	\$737,235	\$13,600	\$0	\$750,835	\$216,526	\$0	\$366,665	\$0	\$137,414	\$0	\$0	\$0	\$0	\$0								
Prior period adjustments (debits)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Adjusted Balance, Aug 31, 2003	\$737,235	\$13,600	\$0	\$750,835	\$216,526	\$0	\$366,665	\$0	\$137,414	\$0	\$0	\$0	\$0	\$0								
Surplus (ex) of revenue over expenses	\$776,455	\$0	\$455	\$776,455	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Board funded capital transactions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Donations of non-amortizable assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Amortization of capital assets	(\$3,400)	\$0	\$3,400	\$3,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Disposal of unrestricted capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Disposal of restricted capital assets -unrestricted portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Debt principal payments (unrestricted)	\$0	\$0	\$0	\$0	\$316,048	\$0	\$62,369	\$75,080	\$254,648	\$0	\$0	\$0	\$0	\$0								
Net transfers to operating reserves			(\$731,855)	\$731,855	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Net transfers from operating reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Net transfers to capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Net transfers from capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0								
Balance at August 31, 2004	\$1,465,890	\$10,200	\$0	\$1,455,690	\$535,474	\$0	\$452,884	\$0	\$213,104	\$0	\$254,648	\$0	\$0	\$0								

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$0
<u>Add:</u>		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	\$0	\$0
<u>Less:</u>		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$0
Balance at August 31, 2004	\$0	\$0

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

The FFCA Charter School Society Notes to Financial Statements

August 31, 2004

1. Authority and Purpose of the Society

The Society delivers educational programs, operating as the Foundations For The Future Charter Academy under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 2002. The Society was incorporated on March 21, 1996 under the Societies Act of Alberta. Through a charter established with the Minister of Learning the Society operates a charter school from four locations. The schools provide education from Early Childhood Services to Grade 11. The Charter is up for renewal on August 31, 2007.

The Society receives block allocation for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the Society, within specified limits, to reallocate funding between the instruction and support blocks.

The Society is incorporated under the Societies Act of Alberta as a not-for-profit organization and is a registered charity, and as such is exempt from income taxes.

2. Significant Accounting Policies

The financial statements of the Society have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted donations are recognized as revenue when received or receivable. Donations in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is recorded on a straight line basis at 20% per annum over the assets estimated useful lives, commencing the fiscal year following the year of acquisition.

**The FFCA Charter School Society
Notes to Financial Statements**

August 31, 2004

2. Significant Accounting Policies - (Continued)

(c) School Generated Funds

Funds generated from school based activities are included as assets, liabilities, revenues and expenses of the school authority because the accountability and control/ownership of these funds rests with school authority officials or their appointee. Revenue from school generated funds is recognized as the related expenses are incurred.

(d) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Foundations for the Future Charter Academy does not make pension contributions for certificated staff.

(f) Contributed Materials and Services

Contributed materials and services which are used in the normal course of the society's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Volunteers assist the school in carrying out certain activities. Because of the difficulty of determining their fair market value and of the fact that such assistance is generally not otherwise purchased, contributed services of this nature are not recognized in the financial statements.

(g) Financial Instruments

The Society's financial instruments consist of various assets and liabilities. Except for the fact that a large concentration of cash is deposited with a single financial institution, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted. The Society has invested surplus funds in accordance with section 60 of the School Act and Section 5 of the Trustees Act.

The FFCA Charter School Society
Notes to Financial Statements

August 31, 2004

3. Capital Assets	2004		2003	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
School equipment	\$ 31,875	\$ 31,875	\$ 31,875	\$ 31,875
Computer software	17,000	6,800	17,000	3,400
	\$ 48,875	\$ 38,675	\$ 48,875	\$ 35,275
Cost less accumulated amortization	\$ 10,200		\$ 13,600	

The capital assets were amortized by \$3,400 during the year. Only capital assets with costs in excess of \$5,000 are capitalized.

4. Deferred Revenue	2004		2003	
Province of Alberta				
Alberta Learning funding		\$ 154,975		\$ 32,730
Alberta Infrastructure funding		9,704		61,300
		164,679		94,030
Parent fees received in advance		403,267		313,099
		\$ 567,946		\$ 407,129

5. Commitment

The Society leases six locations, five of these are for campuses and one is for it's head office. One campus is leased from the Calgary Catholic School Board, and this lease expires June 30, 2007. The other four campuses are leased from the Calgary Board of Education and the leases expire July and August 31, 2007. The Society's head office location is leased until August 31, 2007. The Society's minimum annual lease payments for the next three years are as follows:

2005	\$ 1,720,087
2006	\$ 1,720,087
2007	\$ 1,649,250

6. Economic Dependence on Related Third Party

The Society's primary source of income is from the Alberta Government. The Society's ability to continue viable operations is dependent on this funding.

The FFCA Charter School Society
Notes to Financial Statements

August 31, 2004

7. Comparative Amounts

Certain comparative figures for 2003 have been reclassified to conform with current presentation.

8. Budget Amounts

The 2004 Budget for the Society was approved by the Board and has been reported in the financial statements for information purposes only. These budget amounts have not been audited.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	TOTAL Board & System Admin.	
Alberta Learning allocations									
(1) Instruction block	\$0,647,256	\$466,800	\$6,360,656					\$463,801	
(2) Support block	\$1,148,057	\$0	\$0		\$652,256			\$0	\$0
(3) Instruction & support block reallocations		\$0	\$0						\$0
(4) Alberta Initiative for School Improvement (AISi)	\$101,153	\$0	\$101,153						\$0
(5) Student Health Initiative (SHi)	\$0	\$0	\$0					\$0	\$0
(6) SuperNet Access	\$162,000	\$0	\$162,000					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$0	\$0	\$0					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$93,106	\$2,840	\$90,266	\$0	\$0			\$0	\$0
(10) Other Alberta Learning revenues	\$8,348,372	\$466,480	\$8,714,852	\$0	\$652,256			\$463,801	\$0
Total Alberta Learning Revenue									
(11) Alberta Infrastructure	\$0	\$0	\$0	\$0					\$0
(12) Expensed IMP (BORP) support & portable relocations	\$2,348,126			\$2,348,126					\$0
(13) Operations & Maintenance support	\$81,241			\$81,241					\$0
(14) Operations & Maintenance support (One-Time)	\$2,410,267			\$2,410,267					\$0
Total Alberta Infrastructure Revenue									
(15) Alberta Finance	\$0	\$0	\$0	\$0	\$0				\$0
(16) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0				\$0
(17) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0				\$0
(18) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0				\$0
(19) Out of province authorities	\$0	\$0	\$0	\$0	\$0				\$0
(20) Alberta municipalities	\$148,353	\$161,125	\$132,238		\$351,461			\$0	\$0
(21) Instruction resource fees	\$351,461	\$0	\$0	\$0	\$0			\$0	\$0
(22) Transportation fees	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(23) Other sales and services	\$33,098	\$0	\$0	\$0	\$0			\$0	\$0
(24) Investment income	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(25) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(26) Rentals of facilities	\$127,074	\$0	\$127,074	\$0	\$0			\$0	\$0
(27) Net school generated funds	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(28) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(29) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(31) TOTAL REVENUES	\$11,118,660	\$566,605	\$7,006,446	\$2,410,267	\$1,903,747			\$463,801	\$0
EXPENSES									
(32) Certificated salaries	\$4,860,618	\$261,150	\$4,260,808				\$131,680	\$131,682	\$0
(33) Certificated benefits	\$461,717	\$22,258	\$416,134				\$23,225	\$23,225	\$0
(34) Uncertificated salaries and wages	\$698,858	\$0	\$478,173	\$41,708	\$8,500	\$0	\$170,477	\$170,477	\$0
(35) Uncertificated benefits	\$103,085	\$0	\$64,970	\$3,073	\$1,062	\$0	\$33,160	\$33,160	\$0
(36) SUB - TOTAL	\$5,023,259	\$283,008	\$5,226,096	\$45,581	\$9,562	\$0	\$358,522	\$358,322	\$0
(37) Services, contracts & supplies	\$4,837,778	\$82,016	\$1,335,554	\$2,282,417	\$739,337	\$32,404	\$138,050	\$170,454	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$127,074	\$0	\$127,074	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(40) Supported	\$3,400	\$0	\$3,400	\$0	\$0	\$0	\$0	\$0	\$0
(41) Unsupported	\$3,400	\$0	\$3,400	\$0	\$0	\$0	\$0	\$0	\$0
(42) Total Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(43) Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$10,891,511	\$375,524	\$6,710,114	\$2,297,888	\$748,599	\$32,404	\$468,572	\$528,978	\$0
(48) Surplus/(deficit) before unrestricted revenues used for capital purposes	\$728,435	\$130,081	\$296,332	\$122,380	\$154,948			(\$35,175)	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	
Certificated salaries	\$3,568,444	\$208,214	\$43,658	\$0	\$0	\$46,493	\$4,266,809
Certificated benefits	\$355,938		\$4,658	\$0	\$0	\$0	\$416,134
Uncertificated salaries and wages	\$196,029	\$282,029	\$115	\$0	\$0	\$0	\$478,173
Uncertificated benefits	\$22,540	\$42,430	\$0	\$0	\$0	\$0	\$64,970
SUB - TOTAL REMUNERATION	\$4,142,951	\$980,211	\$48,431	\$0	\$0	\$46,493	\$5,226,086
Services, contracts & supplies	\$827,013	\$438,471	\$33,410	\$0	\$0	\$54,660	\$1,353,554
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$127,074						\$127,074
Amortization of capital assets	\$0	\$0	\$0				\$0
Supported	\$0	\$3,400	\$0				\$3,400
Unsuported	\$0	\$3,400	\$0				\$3,400
Total Amortization	\$0	\$3,400	\$0				\$3,400
Interest on capital debt	\$0						\$0
Supported	\$0						\$0
Unsuported	\$0						\$0
Other interest charges	\$0						\$0
Losses on disposal of capital assets	\$0						\$0
TOTAL EXPENSES	\$5,097,038	\$1,430,082	\$81,841	\$0	\$0	\$101,153	\$6,710,114
FTE Certificated				0.0	0.0		
FTE Uncertificated				0.0	0.0		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details				TOTAL REVENUE	TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION			
Basic Instruction	\$6,081,208			\$0	\$6,550,617	\$4,553,703	\$1,996,914
School Admin & Instruction Support Expenses		\$309,236	\$160,173		\$469,409	\$1,430,082	(\$1,430,082)
System Instruction Support Expenses						\$81,841	(\$81,841)
Total Basic Instruction	\$6,081,208	\$309,236	\$160,173	\$0	\$6,550,617	\$6,065,626	\$484,991
Sub-Programs & Initiatives							
Severely Disabled	\$0	\$0	\$0		\$0	\$0	\$0
English as a Second Language	\$0				\$0	\$0	\$0
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0				\$0	\$0	\$0
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$0				\$0	\$0	\$0
Growth & Density	\$62,713				\$62,713		\$62,713
Teacher Assistants Program	\$46,006				\$46,006	\$46,006	\$0
Early Literacy Initiative (K-2)	\$98,873				\$98,873	\$98,873	\$0
Learning Resources Credit & Resources for the Classroom	\$12,060	\$44,143			\$188,441	\$355,430	(\$166,989)
Technology Integration	\$59,796				\$59,796	\$144,179	(\$84,383)
French Language Program & Francisation (all jurisdictions)	\$0				\$0	\$0	\$0
Home Education	\$279,448				\$279,448	\$544,488	(\$188,659)
Total Sub-Programs & Initiatives	\$6,360,656	\$353,379	\$292,411	\$0	\$7,006,446	\$6,710,114	\$296,333
INSTRUCTION, GRADES 1-12							

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$6,787,460
Support Block - Transportation		\$652,256
SUBTOTAL		\$7,439,716
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$2,349,126
Teacher Salary Enhancement		\$162,000
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$0
Federal government/First Nations		\$0
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$0
Interest on investments		\$33,099
Rentals of facilities		\$0
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$0
School generated funds (Schedule E)		\$100,113
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$10,084,054
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		6.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$605,043
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$605,043
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$528,976
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$75,690
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$604,666
Maximum Expense Limit for Board & System Administration (Step 3)		\$605,043
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$377

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$17,784
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$100,113	
Less: SGF - related cost recoveries (Note 3)	\$0	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$100,113	
Plus: Donations Received (Note 5)	\$9,176	
Equals: Net Additions to SGF		\$109,290
Net SGF Available for discretionary spending		\$127,074
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$127,074
Unexpended SGF - Closing Balance August 31, 2004		(\$0)

Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap.

Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner, raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries.

Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.

Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.

Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$0	\$0	\$0	\$41,708	\$41,708		\$41,708
Uncertificated benefits	\$0	\$0	\$0	\$0	\$3,873	\$3,873		\$3,873
Sub-total Remuneration	\$0	\$0	\$0	\$0	\$45,581	\$45,581		\$45,581
Contracted Services	\$176,514	\$1,637,058	\$0	\$0	\$0	\$1,813,572		\$1,813,572
Supplies	\$16,688	\$235,299	\$0	\$0	\$0	\$251,987		\$251,987
Electricity			\$115,599			\$115,599		\$115,599
Natural Gas/Heating Fuel			\$82,625			\$82,625		\$82,625
Sewer and Water			\$0			\$0		\$0
Telecommunications			\$0			\$0		\$0
Insurance					\$18,634	\$18,634		\$18,634
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$0	\$0
Unsupported							\$0	\$0
Total Amortization							\$0	\$0
Interest on capital debt								
Supported							\$0	\$0
Unsupported							\$0	\$0
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$193,202	\$1,872,357	\$198,224	\$0	\$64,215	\$2,327,998	\$0	\$2,327,998
SQUARE METRES								
School Buildings								0.0
Non School Buildings								0.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						
Contracted Services	0.0	0.0						

Notes:

All expenses related to activities undertaken to keep the school environment clean and safe.

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt.

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

SCHEDULE G to the AFS

Employed or contracted out. Please refer to completion information on page 15.
Please enter below / on rows 40-51) when FTE is not equal to 1, on positions contracted out or shared; and for any reporting under ERI/Ps/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIPs/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).



**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

FOOTHILLS SCHOOL DIVISION No. 38

Legal Name of School Jurisdiction

P.O. BOX 5700, High River, Alberta T1V 1M7

Mailing Address

(403) 652-3001 (403) 652-4204

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules FOOTHILLS SCHOOL DIVISION No. 38
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Jerry Muelaner

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

James P. McLellan

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Andrew F. Chipman

Name

"ORIGINAL SIGNED"

Signature

1-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

AUDITORS' REPORT

To: The Board of Trustees of
Foothills School Division No. 38

We have audited the statement of financial position of Foothills School Division No. 38 as at August 31, 2004 and the statement of revenues and expenses, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2004, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

HIGH RIVER, ALBERTA
NOVEMBER 5, 2004

Catalyst
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$5,863,887	\$7,735,102
Accounts receivable (net after allowances)		\$3,026,754	\$2,183,849
Prepaid expenses		\$283,635	\$239,596
Other current assets		\$0	\$0
Total current assets		\$9,174,276	\$10,158,547
School generated assets		\$1,008,858	\$980,325
Trust assets		\$300,088	\$294,832
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$1,643,106	\$1,638,032
Buildings	\$83,986,564		
Less: accumulated amortization	(\$38,108,406)	\$45,878,158	\$46,498,306
Equipment	\$4,868,061		
Less: accumulated amortization	(\$2,679,775)	\$2,188,286	\$2,515,629
Vehicles	\$7,266,964		
Less: accumulated amortization	(\$4,402,009)	\$2,864,955	\$3,016,317
Total capital assets		\$52,574,505	\$53,668,284
TOTAL ASSETS		\$63,057,727	\$65,101,989
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$940,213	\$1,891,637
Deferred revenue		\$908,402	\$412,778
Deferred capital allocations		\$6,235,655	\$7,238,901
Current portion of all long term debt		\$1,411,202	\$1,671,435
Total current liabilities		\$9,495,472	\$11,214,751
School generated liabilities		\$1,008,858	\$980,325
Trust liabilities		\$300,088	\$294,832
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$6,133,288	\$7,504,036
Less: Current portion of supported debt		(\$1,088,289)	(\$1,370,748)
Unsupported: Debentures and Capital Loans		\$286,000	\$381,500
Capital Leases		\$764,915	\$892,020
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		(\$322,913)	(\$300,687)
Unamortized capital allocations		\$37,360,190	\$36,371,876
Total long term liabilities		\$44,442,137	\$44,753,154
TOTAL LIABILITIES		\$53,937,609	\$55,967,905
NET ASSETS			
Unrestricted net assets		\$0	\$0
Operating Reserves		\$303,341	\$269,713
Accumulated Operating Surplus (Deficit)		\$303,341	\$269,713
Investment in capital assets		\$8,042,227	\$8,531,906
Capital Reserves		\$774,550	\$332,465
Total Capital Funds		\$8,816,777	\$8,864,371
Total net assets		\$9,120,118	\$9,134,084
TOTAL LIABILITIES AND NET ASSETS		\$63,057,727	\$65,101,989

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$40,826,773	\$41,513,500	\$40,205,079
Alberta Infrastructure	\$4,405,656	\$4,670,500	\$4,923,129
Alberta Finance	\$780,894	\$780,900	\$936,390
Other Government of Alberta	\$169,201	\$146,600	\$151,476
Federal Government and/or First Nations	\$199,646	\$218,600	\$184,470
Other Alberta school authorities	\$20,000	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$90,900	\$68,000	\$48,000
Instruction resource fees	\$542,684	\$478,000	\$581,156
Transportation fees	\$17,175	\$12,000	\$12,990
Other sales and services	\$232,622	\$210,200	\$267,272
Investment income	\$60,710	\$70,100	\$85,324
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$57,337	\$0	\$42,947
Net school generated funds	\$383,831	\$300,000	\$550,721
Gains on disposal of capital assets	\$14,000	\$0	\$17,167
Amortization of capital allocations	\$2,122,742	\$2,069,600	\$1,982,939
Total Revenues	\$49,924,171	\$50,538,000	\$49,989,060
EXPENSES			
Certificated salaries	\$25,185,247	\$25,029,400	\$24,415,225
Certificated benefits	\$2,677,769	\$3,830,000	\$2,651,704
Uncertificated salaries and wages	\$7,464,661	\$7,621,900	\$7,398,499
Uncertificated benefits	\$2,163,706	\$1,422,300	\$1,872,486
Services, contracts and supplies	\$7,519,950	\$7,849,600	\$8,450,688
Net school generated funds	\$383,831	\$300,000	\$550,721
Capital and debt services			
Amortization of capital assets			
Supported	\$2,097,234	\$2,069,600	\$1,961,465
Unsupported	\$1,605,642	\$1,474,700	\$1,574,028
Total Amortization of capital assets	\$3,702,876	\$3,544,300	\$3,535,493
Interest on capital debt			
Supported	\$780,894	\$780,900	\$936,390
Unsupported	\$51,581	\$111,300	\$59,685
Total Interest on capital debt	\$832,475	\$892,200	\$996,075
Other interest charges	\$7,622	\$48,300	\$6,023
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$49,938,137	\$50,538,000	\$49,876,914
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$13,966)	\$0	\$112,146
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$13,966)	\$0	\$112,146

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$13,966)	\$112,146
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$2,122,742)	(\$1,982,939)
Total amortization expense	\$3,702,876	\$3,535,493
Gains on disposal of capital assets	(\$14,000)	(\$17,167)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$842,905)	(\$1,221,218)
Prepays and other current assets	(\$44,039)	\$967,116
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$951,424)	(\$687,658)
Deferred revenue	\$495,624	(\$863,126)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$209,424	(\$157,353)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	(\$5,071)	\$0
Buildings	(\$1,728,215)	(\$3,652,491)
Equipment	(\$500,605)	(\$595,999)
Vehicles	(\$375,205)	(\$561,969)
Net proceeds from disposal of capital assets	\$14,000	\$29,617
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$2,595,096)	(\$4,780,842)
C. FINANCING ACTIVITIES		
Capital allocations received	\$724,968	\$1,008,899
Issue of long term debt	\$94,660	\$123,248
Repayment of long term debt	(\$1,688,013)	(\$1,922,610)
Add back: supported portion	\$1,370,748	\$1,560,602
Other (describe)	\$12,094	\$0
Total sources (uses) from Financing activities	\$514,457	\$770,139
Net sources (uses) of cash equivalents* during year	(\$1,871,215)	(\$4,168,056)
Cash Equivalents at the beginning of the year	\$7,735,102	\$11,903,158
Cash Equivalents at the end of the year	\$5,863,887	\$7,735,102

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (Column 5 to 14)	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(13) External Services		
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.							(11) Transportation	
					Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd O & M Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves			
Balance at August 31, 2003	\$9,134,084	\$8,531,906	\$0	\$602,178	\$245,948	\$105,536	\$0	\$94,321	\$22	\$60,972	\$23,743	\$71,636	\$0	\$0			
Prior period adjustments (describe)																	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Adjusted Balance, Aug 31, 2003	\$9,134,084	\$8,531,906	\$0	\$602,178	\$245,948	\$105,536	\$0	\$94,321	\$22	\$60,972	\$23,743	\$71,636	\$0	\$0			
Surplus(def) of revenue over expenses	(\$13,966)		(\$13,966)														
Board funded capital transactions	\$0	\$774,128	(\$774,128)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Donations of non-amortizable assets		\$0															
Amortization of capital assets		(\$3,702,876)	\$3,702,876														
Amortization of capital allocations		\$2,122,742	(\$2,122,742)														
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0			
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0		\$0		\$0		\$0		\$0			
Debt principal payments (unsupported)		\$316,327	(\$316,327)														
Net transfers to operating reserves			(\$57,371)	\$57,371	\$23,743		\$0		\$33,628		\$0		\$0				
Net transfers from operating reserves			\$23,743	(\$23,743)	\$0		\$0		\$0		(\$23,743)		\$0				
Net transfers to capital reserves			(\$447,156)	\$447,156		\$322,641		\$55,911		\$54,604		\$14,000		\$0			
Net transfers from capital reserves			\$5,071	(\$5,071)		\$0		(\$5,071)		\$0		\$0		\$0			
Balance at August 31, 2004	\$9,120,118	\$8,042,227	\$0	\$1,077,891	\$269,691	\$428,177	\$0	\$145,161	\$33,650	\$115,576	\$0	\$85,636	\$0	\$0			

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$7,238,901	\$36,371,876
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$235,779	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$103,365	
Other capital grants and donations	\$385,824	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$12,094
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,370,748
Expended capital allocations - current year	(\$1,728,214)	\$1,728,214
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$2,122,742
Balance at August 31, 2004	\$6,235,655	\$37,360,190

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

1. Authority and purpose

Foothills School Division No. 38 delivers education programs under the authority of the School Act, Chapter S-3, Revised Statutes of Alberta, 2000.

The division receives funding for instruction and support under Regulation 77/2003 of the School Act. The regulation limits funding and expenses for administration. It permits the jurisdiction, within specified limits, to reallocate funding between the instruction and support blocks.

2. Significant accounting policies

The school division follows accounting policies generally accepted for Alberta School jurisdictions, which include the following:

(a) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the related notes. Actual results could differ from those estimates.

(b) Revenue recognition

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Funding from the provincial government and other agencies that are externally restricted for purchases of capital assets are recorded as deferred capital allocations until spent. Interest earned on these deferred capital allocations is also recorded as deferred capital allocations until spent on capital projects. Once spent, they are transferred to unamortized capital allocations, and are amortized on the same basis as the capital assets to which the funding relates.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Unrestricted contributions are recognized as revenue when received or receivable.

(c) Temporary investments

Temporary investments are recorded at the lower of cost and net realizable value.

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

(d) Prepaid expenses

Supplies purchased for courses and programs conducted in a future period are recorded as prepaid expenses.

(e) Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives on a straight-line basis, commencing in the year following addition up to and including the year of disposal. Only assets with a value greater than \$5,000 are capitalized and amortized. The annual amortization rates are as follows:

Buildings	3-6 %
Equipment	20 %
Vehicles	10-20 %

(f) Financial instruments

The school division's financial instruments consist of cash, money market mutual funds, accounts receivable, accounts payable and accrued liabilities, capital lease obligation and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted the fair value of these financial instruments approximates their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and the Section 5 of the Trustees Act.

(g) School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.). Funds generated from school based activities are recorded as follows:

Unexpended school generated funds are recorded as an asset and liability of the school division as the use of these funds is subject to restrictions imposed by the individual fund raising groups.

Costs of generating school funds include direct expenses incurred in generating these funds. Amounts expended on school activities, supplies, other instructional expenses or capital items are reported as application of school generated funds for the year.

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

(h) Pensions

Pension costs included in salaries and benefits comprise the cost of employer contributions for current service of employees during the year.

The school division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$297,908 (2003 - \$294,440) and is included in salaries, wages and benefits.

The current service and past service costs of the Alberta Teachers' Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the school division does not make pension contributions for certificated staff, therefore no disclosure has been made with regard to the effect of the Division's teachers' participation in the pension plan.

(i) Net assets

Operating and capital restricted funds represent allocations for future operating expenses and capital purchases.

The excess of amortization of capital assets over amortized capital allocations is recorded as a reduction in investment in capital assets.

Unsupported capital debt repayments are recorded as a transfer from unrestricted funds to investment in capital assets. Unsupported capital lease payments are recorded as a transfer from restricted funds to investment in capital assets.

(j) Contributed services

Volunteers assist schools operated by the division in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(k) Cash and cash equivalents

Cash and temporary investments consist of cash on hand and balances with banks, money market funds and bankers acceptances maturing within three months of year end.

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

3. Restricted cash

Cash and temporary investments in the amount of \$6,235,654 (2003 - \$7,238,900) is restricted for use in capital construction projects only.

4. Accounts receivable

	<u>2004</u>	<u>2003</u>
Alberta Learning	\$ 31,480	\$ 289,770
Alberta Infrastructure	2,498,575	1,422,445
Other	496,699	471,634
	<u>\$ 3,026,754</u>	<u>\$ 2,183,849</u>

5. Deferred revenue

	<u>2004</u>	<u>2003</u>
O&M (Operations & Maintenance) funding	\$ 140,893	\$ -
IMP (Infrastructure Maintenance Program) funding - formerly BQRP	374,466	250,411
AISI (Alberta Initiative for School Improvement) funding	276,503	75,251
SHIP (Student Health Initiative Program) funding	91,599	-
Other	24,941	23,079
One-Time funding	-	64,037
	<u>\$ 908,402</u>	<u>\$ 412,778</u>

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

6. Obligations under capital lease

Under terms of various equipment leases expiring between September, 2004 and June, 2010, the school division is committed to minimum annual lease payments, including interest at annual rates from 2.0% to 6.9% as follows:

2005	\$ 273,725
2006	245,603
2007	145,103
2008	65,575
2009 and subsequent	<u>62,551</u>
Total minimum lease payments	792,557
Less amount representing interest	<u>27,642</u>
Principal portion of lease obligation	764,915
Less current portion	<u>227,413</u>
	<u>\$ 537,502</u>

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

7. Long-term debt

	<u>2004</u>	<u>2003</u>
Debentures issued to Alberta Capital Finance Authority, repayable in annual instalments totalling \$1,844,870 including interest at rates that vary from 6.5% to 12% per annum. A portion of these debentures will be repaid by the provincial government.	\$ 6,419,288	\$ 7,885,536
Less current portion	<u>1,183,789</u>	<u>1,466,248</u>
Due beyond one year	<u>\$ 5,235,499</u>	<u>\$ 6,419,288</u>

The portion due within the next fiscal year includes \$1,088,289, which will be paid by the provincial government.

Principal repayments of long-term debt required in the next five fiscal years are as follows:

2005	\$ 1,183,789
2006	967,088
2007	967,088
2008	810,588
2009	562,324
Subsequent years	<u>1,928,411</u>
	<u>\$ 6,419,288</u>

8. Budget amounts

The budget was prepared by School Division management with Board of Trustees approval given on June 27, 2003. It is presented for information purposes only and has not been audited.

9. Commitment

Service providers

As at August 31, 2004, the division has annual commitments ranging from \$1,876,247 in 2005 to \$939,807 in 2006 (2004 - \$1,876,247) to a service provider.

FOOTHILLS SCHOOL DIVISION NO. 38
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

10. Economic dependence

The Foothills School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

11. Operating loan

Foothills School Division has a credit facility agreement in place that permits borrowing upon written request and approval by the Board of Trustees at competitive rates. No collateral security will be required for the facility other than the standard Banking Resolutions and confirmation of the legal ability to borrow. As at August 31, 2004, the Division has not had need to request borrowing against this facility.

12. Subsequent events

Subsequent to August 31, 2004, the school division entered into an agreement to sell certain land and buildings for estimated proceeds of \$1,100,000. The closing date for the sale is January 31, 2006. The Minister of Infrastructure has conditionally approved the sale.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$13,937,268	\$1,415,708	\$32,521,360						
(2) Support block	\$4,598,522	\$0	\$0		\$3,097,844			\$3,097,844	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$455,508	\$0	\$0	\$455,508				\$0	\$0
(5) Student Health Initiative (SHi)	\$182,875	\$0	\$182,875					\$0	\$0
(6) Supplement Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$1,457,000	\$44,515	\$1,457,120					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$0	\$0	\$0					\$0	\$0
(11) Total Alberta Learning Revenue	\$40,928,173	\$1,460,223	\$34,183,653	\$0	\$3,097,844			\$3,097,844	\$0
Alberta Infrastructure									
(12) Expensed ISEP (BQRP) support & portable relocations	\$387,437			\$387,437					
(13) Operations & Maintenance support	\$3,954,188			\$3,954,188					
(14) Operations & Maintenance support (One-Time)	\$64,317			\$64,317					
(15) Total Alberta Infrastructure Revenue	\$4,341,625			\$4,418,505					
Alberta Finance									
(16) Other - Government of Alberta	\$780,894			\$780,894					
(17) Federal Government and/or First Nations	\$145,201			\$145,201					
(18) Other Alberta school authorities	\$198,648			\$198,648					
(19) Out of province authorities	\$310,000			\$310,000					
(20) Alberta municipalities	\$60,800			\$60,800					
(21) Instruction re-urce fees	\$142,084			\$142,084					
(22) Transportation fees	\$17,175			\$17,175					
(23) Other sales and services	\$232,822			\$232,822					
(24) Investment income	\$60,710	\$607	\$71,801	\$0	\$27,021			\$28,910	\$0
(25) Gifts and donations	\$7,337	\$0	\$40,676	\$2,142	\$4,857			\$2,628	\$0
(26) Rentals of facilities	\$383,831	\$0	\$1,585	\$43,752	\$0			\$0	\$0
(27) Net school generated funds	\$14,000	\$0	\$383,831	\$0	\$0			\$0	\$0
(28) Gains on disposal of capital assets	\$2,122,142	\$0	\$0	\$2,122,142	\$1,440			\$560	\$0
(29) Amortization of capital allocations	\$49,924,171	\$1,461,225	\$36,232,736	\$7,371,516	\$3,148,337			\$1,083,357	\$7,000
EXPENSES									
(32) Certificated salaries	\$35,185,247	\$693,312	\$34,155,949					\$335,996	\$0
(33) Certificated benefits	\$2,617,766	\$66,518	\$2,585,752					\$25,499	\$0
(34) Uncertificated salaries and wages	\$7,654,061	\$205,339	\$4,391,080	\$501,647	\$1,900,202	\$71,034		\$569,889	\$5,000
(35) Uncertificated benefits	\$2,483,106	\$37,449	\$1,487,015	\$128,862	\$2,219			\$133,125	\$1,400
(36) SUB - TOTAL	\$71,801,383	\$992,878	\$32,629,806	\$600,309	\$2,034,038	\$73,253		\$1,664,299	\$1,137,552
(37) Services, contracts & supplies	\$7,110,950	\$245,295	\$2,430,497	\$3,565,534	\$821,641	\$41,448		\$4,055,993	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(39) Net school generated funds	\$383,831	\$0	\$383,831	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
(40) Amortization of capital assets									
(41) Supported	\$2,097,234	\$0	\$0	\$2,097,234	\$0			\$0	\$0
(42) Unsupported	\$1,405,642	\$0	\$795,629	\$236,143	\$519,266	\$0		\$54,604	\$0
(43) Total Amortization	\$3,502,876	\$0	\$795,629	\$2,333,377	\$519,266	\$0		\$54,604	\$0
(44) Interest on capital debt									
(45) Supported	\$760,894	\$0	\$0	\$760,894	\$0			\$0	\$0
(46) Unsupported	\$51,581	\$0	\$51,581	\$0	\$0	\$0		\$0	\$0
(47) Other interest charges	\$7,822	\$0	\$4,803	\$1,402	\$765	\$0		\$590	\$0
(48) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
TOTAL EXPENSES	\$49,924,137	\$1,238,014	\$36,232,147	\$7,371,516	\$3,375,731	\$114,701		\$1,649,779	\$7,000
(49) Surplus(deficit) before unrestricted revenues used for capital purposes	\$3,900	\$223,211	\$849,411	\$0	\$277,394			\$33,618	\$0

SCHEDULE B to the AFS

INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$19 163 127	\$1 736 051	\$0	\$988 800	\$1 939 200	\$326 771	\$0
Certificated benefits	\$1 934 171	\$161 499	\$0	\$122 055	\$239 370	\$128 657	\$0
Uncertificated salaries and wages	\$1 105 563	\$679 850	\$0	\$624 005	\$1 734 665	\$32 399	\$214 607
Uncertificated benefits	\$699 347	\$154 632	\$0	\$155 994	\$433 645	\$55	\$53 342
SUB - TOTAL REMUNERATION	\$22 902 209	\$2 734 032	\$0	\$1 890 854	\$4 346 861	\$487 862	\$32 629 806
Services, contracts & supplies	\$2 307 375	\$0	\$0	\$0	\$0	\$117 626	\$5 496
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$363 831	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsupported	\$0	\$795 629	\$0	\$0	\$0	\$0	\$0
Total Amortization	\$0	\$795 629	\$0	\$0	\$0	\$0	\$0
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsupported	\$0	\$51 581	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$0	\$4 803	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$25 593 414	\$3 586 045	\$0	\$1 890 854	\$4 346 861	\$605 508	\$273 445
FTE Certificated				16.0	29.0		
FTE Uncertificated				26.0	75.1		

SCHEDULE C to the AFS

INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE		
Basic Instruction	\$28 663 072	\$2 228 303	\$879 648	\$0	\$31 991 023	\$25 510 847	\$6 480 176
School Admin & Instruction Support Expenses						\$3 586 045	(\$3 586 045)
System Instruction Support Expenses						\$0	\$0
Total Basic Instruction	\$28 663 072	\$2 228 303	\$879 648	\$0	\$31 991 023	\$29 096 892	\$2 894 131
Sub-Programs & Initiatives							
Severely Disabled	\$2 066 181	\$0	\$80 741		\$2 146 922	\$4 346 861	(\$2 199 939)
English as a Second Language	\$69 920				\$69 920	\$79 713	(\$9 793)
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis and Inuit Education	\$48 932	\$0			\$48 932	\$44 330	\$4 602
Institutional Programs	\$205 153				\$205 153	\$273 351	(\$68 198)
Sparsity & Distance	\$278 326				\$278 326	\$278 326	\$0
Growth & Density	\$106 920				\$106 920	\$106 920	\$0
Teacher Assistants Program	\$118 086				\$118 086	\$118 986	\$900
Early Literacy Initiative (K-2)	\$208 954				\$208 954	\$192 192	\$16 762
Learning Resources Credit & Resources for the Classroom	\$224 639	\$0	\$542 684		\$767 323	\$1 279 592	(\$512 269)
Technology Integration	\$277 420		\$0		\$277 420	\$434 485	(\$157 065)
French Language Program & Francisation (all jurisdictions)	\$19 428	\$0	\$0		\$19 428	\$418 216	(\$398 788)
Home Education	\$3 428	\$0	\$0		\$3 428	\$11 509	(\$8 080)
Total Sub-Programs & Initiatives	\$3 638 260		\$623 425		\$4 261 713	\$7 199 255	(\$2 937 542)
INSTRUCTION, GRADES 1-12	\$32 521 360	\$2 228 303	\$1 503 073	\$0	\$36 252 736	\$36 296 147	(\$43 411)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$33,659,648
Support Block - Transportation	\$2,991,844
SUBTOTAL	\$36,651,492
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,954,198
Teacher Salary Enhancement	\$1,497,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$169,201
Federal government/First Nations	\$199,646
Other Alberta school authorities	\$20,000
Out of province local authorities	\$0
Alberta municipalities	\$90,900
Other sales and services	\$232,622
Interest on investments	\$60,710
Rentals of facilities	\$57,337
Gains on disposal of capital assets	\$14,000
Amortization of capital allocations	\$2,122,742
School generated funds (Schedule E)	\$2,008,911
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$47,078,759
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,883,150
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,883,150
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,649,729
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$33,628
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,683,357
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,883,150
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$199,793

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$980,325
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$2,008,911	
Less: SGF - related cost recoveries (Note 3)	\$1,777,780	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$231,131	
Plus: Donations Received (Note 5)	\$181,233	
Equals: Net Additions to SGF		\$412,364
Net SGF Available for discretionary spending		\$1,392,689
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$383,831
Unexpended SGF - Closing Balance August 31, 2004		\$1,008,858
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$340,753	\$0	\$36,147	\$184,747	\$561,647		\$561,647
Uncertificated benefits	\$0	\$85,298	\$0	\$2,118	\$41,246	\$128,662		\$128,662
Sub-total Remuneration	\$0	\$426,051	\$0	\$38,265	\$225,993	\$690,309		\$690,309
Contracted Services	\$1,515,074	\$28,386	\$0	\$281,320	\$32,369	\$1,857,149		\$1,857,149
Supplies	\$0	\$288,250	\$0	\$0	\$40,828	\$337,078		\$337,078
Electricity			\$692,291			\$692,291		\$692,291
Natural Gas/Heating Fuel			\$474,389			\$474,389		\$474,389
Sewer and Water			\$74,756			\$74,756		\$74,756
Telecommunications			\$14,800			\$14,800		\$14,800
Insurance					\$115,071	\$115,071		\$115,071
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$2,087,234	\$2,087,234
Unsupported						\$236,143		\$236,143
Total Amortization						\$236,143	\$2,087,234	\$2,333,377
Interest on capital debt								
Supported								
Unsupported						\$0	\$780,894	\$780,894
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$1,402		\$1,402
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,515,074	\$750,687	\$1,256,236	\$319,585	\$414,261	\$4,493,388	\$2,878,128	\$7,371,516
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	13.5						78,782.9
Contracted Services	0.0	0.0						3,572.2

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name Mustler, Jerry	1.0	\$19,106	\$0	\$0	\$0		\$19,106	\$6,691
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name Gardner, Douglas	1.0	\$16,287	\$0	\$0	\$0		\$16,287	\$2,908
Name Sewell, Graham	1.0	\$13,067	\$0	\$0	\$0		\$13,067	\$4,704
Name Lippitt, Faye	1.0	\$11,216	\$0	\$0	\$0		\$11,216	\$3,428
Name Czerwinski, Lori	1.0	\$11,355	\$0	\$0	\$0		\$11,355	\$2,696
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	5.0	\$71,033	\$0	\$0	\$0		\$71,033	\$22,427
Superintendent McLellan, James P	1.0	\$121,866	\$6,688	\$0	\$0	\$0	\$130,554	\$5,447
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Chipman, Drew	1.0	\$103,824	\$15,903	\$0	\$0	\$0	\$119,727	\$10,993
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	366.8	\$25,063,381	\$2,669,081	\$0	\$0	\$0	\$27,732,462	
Uncertificated Salaries & Wages	290.0	\$7,289,804	\$2,147,803	\$0	\$0	\$0	\$9,437,607	
TOTALS		\$32,649,908	\$4,841,475	\$0	\$0	\$0	\$37,491,383	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Fort McMurray Catholic Board Of Education

Legal Name of School Jurisdiction

9809 Main Street, Fort McMurray, AB T9H 1T7

Mailing Address

phone: (780) 799 5700 fax: (780) 799 5706

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The Fort McMurray Catholic Board Of Education
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Lisa Etty Daviduck

Name

"Original Signed"

Signature

SUPERINTENDENT

J. Daniel McIsaac

Name

"Original Signed"

Signature

SECRETARY TREASURER OR TREASURER

J. G. Francois Gagnon

Name

"Original Signed"

Signature

13-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES OF
THE FORT MCMURRAY CATHOLIC BOARD OF EDUCATION

We have audited the statement of financial position of The Fort McMurray Catholic Board of Education as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended prepared in accordance with Canadian generally accepting accounting principles and the presentation requirements of Alberta Learning. These financial statements are the responsibility of the board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of The Fort McMurray Catholic Board of Education as at August 31, 2004 and the results of its operations and the changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles and the presentation requirement of Alberta Learning.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Fort McMurray, Alberta
November 26, 2004

Meyers Norris Penny LLP.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003 (Restated)
ASSETS		
Current assets		
Cash and temporary investments	\$7,142,966	\$6,619,550
Accounts receivable (net after allowances)	\$2,568,710	\$2,469,267
Prepaid expenses	\$106,071	\$97,595
Other current assets	\$0	\$0
Total current assets	\$9,817,747	\$9,186,412
School generated assets	\$334,828	\$356,529
Trust assets	\$151,243	\$151,491
Long term accounts receivable	\$7,804,887	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,139,680	\$1,026,122
Buildings	\$53,399,478	
Less: accumulated amortization	(\$22,525,420)	\$31,805,408
Equipment	\$3,580,979	
Less: accumulated amortization	(\$3,074,134)	\$547,510
Vehicles	\$271,872	
Less: accumulated amortization	(\$221,335)	\$82,540
Total capital assets	\$32,571,120	\$33,461,580
TOTAL ASSETS	\$50,679,325	\$43,156,012
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,817,579	\$1,532,050
Deferred revenue	\$1,145,927	\$1,040,440
Deferred capital allocations	\$7,715,577	\$767,910
Current portion of all long term debt	\$643,641	\$726,088
Total current liabilities	\$11,322,724	\$4,066,488
School generated liabilities	\$334,828	\$356,529
Trust liabilities	\$151,243	\$151,491
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$2,895,685	\$3,621,773
Less: Current portion of supported debt	(\$643,641)	(\$726,088)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$17,003,394	\$16,392,372
Total long term liabilities	\$19,741,510	\$19,796,077
TOTAL LIABILITIES	\$31,064,234	\$23,862,565
NET ASSETS		
Unrestricted net assets	\$2,228,565	\$2,306,093
Operating Reserves	\$1,439,672	\$948,344
Accumulated Operating Surplus (Deficit)	\$3,668,237	\$3,254,437
Investment in capital assets	\$12,672,039	\$13,253,982
Capital Reserves	\$3,275,314	\$2,785,028
Total Capital Funds	\$15,947,353	\$16,039,010
Total net assets	\$19,615,591	\$19,293,447
TOTAL LIABILITIES AND NET ASSETS	\$50,679,825	\$43,156,012

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003 (Restated)
REVENUES			
Alberta Learning	\$27,108,524	\$25,357,960	\$25,368,202
Alberta Infrastructure	\$2,985,250	\$2,582,000	\$2,576,001
Alberta Finance	\$568,613	\$613,000	\$700,012
Other Government of Alberta	\$5,800	\$0	\$4,800
Federal Government and/or First Nations	\$176,004	\$138,000	\$204,972
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$197,396	\$160,000	\$167,145
Transportation fees	\$133,615	\$105,000	\$108,791
Other sales and services	\$37,748	\$0	\$10,030
Investment income	\$268,832	\$150,000	\$281,986
Gifts and donations	\$143,011	\$105,000	\$112,250
Rentals of facilities	\$78,605	\$40,000	\$49,826
Net school generated funds	\$100,859	\$105,000	\$87,304
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,311,935	\$1,250,600	\$1,003,538
Total Revenues	\$33,116,191	\$30,606,560	\$30,674,857
EXPENSES			
Certificated salaries	\$16,002,385	\$15,300,000	\$15,104,872
Certificated benefits	\$1,795,097	\$1,880,000	\$1,795,636
Uncertificated salaries and wages	\$5,655,575	\$4,950,000	\$5,615,911
Uncertificated benefits	\$1,080,286	\$1,050,000	\$1,014,882
Services, contracts and supplies	\$5,511,145	\$5,048,960	\$5,403,055
Net school generated funds	\$100,859	\$105,000	\$87,304
Capital and debt services			
Amortization of capital assets			
Supported	\$1,311,935	\$1,250,600	\$1,003,538
Unsupported	\$768,153	\$709,000	\$734,922
Total Amortization of capital assets	\$2,080,089	\$1,959,600	\$1,738,460
Interest on capital debt			
Supported	\$568,613	\$613,000	\$700,012
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$568,613	\$613,000	\$700,012
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$32,794,047	\$30,906,560	\$31,460,132
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$322,144	(\$300,000)	(\$785,275)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$322,144	(\$300,000)	(\$785,275)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003 (Restated)
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$322,144	(\$785,275)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,311,935)	(\$1,003,538)
Total amortization expense	\$2,080,089	\$1,738,460
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$99,443)	(\$344,550)
Prepays and other current assets	(\$8,476)	(\$6,526)
Long term accounts receivable	(\$7,804,887)	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$285,529	(\$784,878)
Deferred revenue	\$105,487	\$177,837
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$6,431,493)	(\$1,008,470)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$993,924)	(\$1,633,231)
Equipment	(\$195,705)	(\$84,604)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,189,628)	(\$1,717,835)
C. FINANCING ACTIVITIES		
Capital allocations received	\$8,144,537	\$487,545
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$726,088)	(\$761,688)
Add back: supported portion	\$726,088	\$761,688
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$8,144,537	\$487,545
Net sources (uses) of cash equivalents* during year	\$523,416	(\$2,238,760)
Cash Equivalents at the beginning of the year	\$6,619,550	\$8,858,310
Cash Equivalents at the end of the year	\$7,142,966	\$6,619,550

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS IN CAPITAL ASSETS	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)										(13) External Services Unrestricted Operating Reserves	(14) Unrestricted Capital Reserves
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Transportation		(10) External Services			
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves		
Balance at August 31, 2003	\$19,023,057	\$13,177,046	\$2,035,704	\$3,810,308	\$261,420	\$651,671	\$0	\$2,210,293	\$686,924	\$0	\$0	\$0	\$0	\$0	\$0	
Prior period adjustments (describe)																
Ft. Beauregard Capital Project	\$193,453	\$0	\$193,453	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
JP Telephone Infrastructure	\$78,936	\$78,936	\$78,936	(\$76,936)	\$0	\$0	\$0	(\$76,936)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$19,293,447	\$13,253,982	\$2,306,093	\$3,733,372	\$261,420	\$651,671	\$0	\$2,133,357	\$686,924	\$0	\$0	\$0	\$0	\$0	\$0	
Surplus(def) of revenue over expenses	\$322,144		\$322,144													
Board funded capital transactions		\$186,210		(\$186,210)	\$0	(\$66,741)	\$0	(\$85,659)	(\$33,811)	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		(\$2,080,089)	\$2,080,089													
Amortization of capital allocations		\$1,311,935	(\$1,311,935)													
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	
Debt principal payments (unsupported)		\$0	\$0	\$0												
Net transfers to operating reserves			(\$697,610)	\$697,610	\$602,097		\$0		\$95,513			\$0		\$0	\$0	
Net transfers from operating reserves			\$172,471	(\$172,471)	(\$172,471)		\$0		\$0			\$0		\$0	\$0	
Net transfers to capital reserves			(\$642,686)	\$642,686		\$149,823		\$389,243		\$103,621		\$0		\$0	\$0	
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0	\$0	
Balance at August 31, 2004	\$19,615,591	\$12,672,039	\$2,228,565	\$4,714,987	\$691,046	\$734,753	\$0	\$2,436,941	\$748,625	\$103,621	\$0	\$0	\$0	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$767,910	\$16,392,372
<u>Add:</u>		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$8,144,537	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$726,088
Expended capital allocations - current year	(\$1,196,870)	\$1,196,870
<u>Less:</u>		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,311,935
Balance at August 31, 2004	\$7,715,577	\$17,003,394

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

1. AUTHORITY AND PURPOSE

The Fort McMurray Catholic Board of Education delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation limits funding and expenses for administration. The regulation allows for the setting of conditions and use of grant monies. The jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas. The jurisdiction is exempt from payment of income tax under section 149 of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b) Capital Assets

Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

	<u>Years</u>
Buildings	25 - 40
Site Improvements	20
Vehicles	5 - 10
Equipment	5 - 10

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of non-certificated employees during the year.

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

The current service and past service costs of the Alberta Teacher Retirement Funds are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan, the jurisdiction does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$ 233,339 for the year ended August 31, 2004. At of December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$ 1,411 million (2002: deficiency of \$445 million). The Local Authorities Pension Plan (LAPP) Board of Trustees approved increases in contribution rates in response to the increasing deficiency of the plan.

f) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Financial Instruments

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

j) Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

k) Measurement Uncertainty [Use of Estimates]

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization of capital assets and capital allocations is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

3. CASH AND TEMPORARY INVESTMENTS

	<u>2004</u>	<u>2003</u>
Cash		
Cash and Operating Funds	\$ 781,189	\$ 450,018
U.S. Funds and Exchange	4,947	1,368
Imprest Funds	44,459	44,500
Endowment Funds – (Trust)	(101,243)	(101,491)
Total Cash	\$ 729,452	\$ 394,395
Temporary Investments		
Investment in AMF	\$ 10	\$ 10
Term Deposits – ATB	2,000,000	2,000,000
Raymond James Investment	4,463,504	4,275,145
Endowment Investment (Trust)	(50,000)	(50,000)
Total Investments	\$ 6,413,515	\$ 6,225,155
Total Cash & Temporary Investments	\$ 7,142,966	\$ 6,619,550

4. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Current		
Province of Alberta	\$ 2,065,205	\$ 1,981,480
Alberta Municipalities	177,909	187,325
Other	325,596	300,462
	\$ 2,568,710	\$ 2,469,267
Long-Term		
Province of Alberta	\$ 7,804,887	\$ 0
Total	\$10,373,597	\$ 2,469,267

5. CAPITAL ASSETS

Asset	Cost	Accumulated Amortization	Net Book Value	
			2004	2003
Land and Site Improvements	\$ 3,364,465	\$ 2,224,785	\$ 1,139,680	\$ 1,026,122
Buildings	53,399,478	22,525,420	30,874,058	31,805,408
Vehicles	271,872	221,335	50,537	82,540
Equipment	3,580,979	3,074,134	506,845	547,510
Total	\$ 60,616,794	\$ 28,045,674	\$ 32,571,120	\$ 33,461,580

6. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at prime less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004.

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

7. ACCOUNTS PAYABLE AND LIABILITIES

	2004	2003
Province of Alberta	\$ 187,844	\$ 233,733
Holdbacks – capital projects	0	66,473
Payroll payables	468,752	212,125
Accrued payroll liabilities	501,694	239,487
Other trade payables	657,950	778,733
Other liabilities	1,339	1,499
Total	\$ 1,817,579	\$ 1,532,050

8. DEFERRED REVENUES

	2004	2003
One Time Operations & Maintenance Support	\$ 0	\$ 214,010
1999 One Time Grant Funding	783,580	783,580
Alberta Infrastructure – IMP 2004/05	297,242	0
Alberta Learning – 04/05 Regional Coordinator	55,000	0
2003 Budget - One Time Grant for Transportation	0	9,600
Government of Canada – INAC Tuition	0	18,783
School Fees	10,105	14,467
Total	\$ 1,145,927	\$ 1,040,440

9. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

	2004	2003
Education Endowment Funds	\$ 101,243	\$ 101,491
Endowment Fund – Interest Earning Deposit	50,000	50,000
Total	\$ 151,243	\$ 151,491

10. LONG TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	2004
2004-2005	\$ 643,641
2005-2006	618,080
2006-2007	295,640
2007-2008	206,016
2008-2009	149,827
2009 to maturity	982,481
Total	\$ 2,895,685
Less: Current portion	(643,641)
Long Term Debt	\$ 2,252,044

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

11. DEFERRED CAPITAL ALLOCATIONS

Capital allocations received or receivable for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded. Details of the changes in the deferred capital allocations account are as follows:

	2004	2003
Father Beauregard Expansion and Modernization	\$ 0	\$ 338,286
St. Martha School	7,715,577	0
Sister Mary Phillips Expansion	0	297,497
BQRP Projects	0	132,127
Balance, End of Year	\$ 7,715,577	\$ 767,910

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

13. ONE TIME GRANT REVENUE

In 1999, Alberta Learning announced a one-time grant as a major investment in education. The jurisdiction's share of this one-time funding was \$1,023,580. Of this amount, the jurisdiction designated \$240,000 for a local early grade investment program that was expended in School Year 1999-2000. There is \$783,580 in funds remaining at year-end that have been designated to a special growth reserve.

14. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

15. COMMITMENTS

a) Building Projects

The jurisdiction has received approval from the Minister of Infrastructure for three major capital projects. The total value of these contracts is \$9,519,548.

Of these projects, only one was in progress as of August 31, 2004: the new Catholic Elementary/Junior High School in Timberlea to be named St. Martha. The total cost for this project is \$8,144,537. As of August 31, 2004, \$339,650 had been received from Alberta Infrastructure leaving a receivable from the Province of \$7,804,887. An amount of \$428,960 has been recorded as capital work in progress for costs incurred to date on this project.

The two other projects were still in the conceptual stage and no funds were received or expended at the end of the period. The value of these two projects is not reflected in any manner in these financial statements. The projects are described as follows:

- a. Father Turcotte School: Addition of six portable classrooms. Project cost: \$655,890
- b. St. Anne School: Addition of four portable classrooms. Project cost: \$719,121.

Fort McMurray Catholic Board of Education
Notes to Audited Financial Statements – August 31, 2004

16. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Fort McMurray Catholic Board of Education's primary source of income is from the Alberta Government. This jurisdiction's ability to continue viable operations is dependent on this funding.

17. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

18. PRIOR PERIOD ADJUSTMENTS

Two prior period adjustments were made in the Statement of Changes in Net Assets and the prior year's comparative figures have been restated. The prior year's expenses have been reduced, and capital assets increased, by \$270,389.

- a. Father Beauregard Project: \$193,453 was transferred from Unrestricted Net Assets to Investment in Capital Assets. This amount represents the cost of an employee of the District during the modernization and expansion project that was expensed in prior years. This cost should have been capitalized. It will be amortized in accordance with established accounting policies;
- b. IP Telephony Project: \$76,936 was transferred from Unrestricted Net Assets to Investment in Capital Assets. This amount represents the cost of equipment purchased for an IP telephony system at the District Office that was expensed in prior years. This cost should have been capitalized. It will be amortized in accordance with established accounting policies.

19. COMPARATIVE FIGURES

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to Actual 2004 presentation.

SCHEDULE A to the AFS **ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$23,448,699	\$2,749,259	\$20,699,441						
(2) Support block	\$2,028,868	\$0	\$0		\$668,109			\$1,359,759	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$458,280	\$0	\$458,280					\$0	\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0					\$0	\$0
(6) Supernet Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$851,000	\$30,746	\$820,254					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$321,677	\$8,381	\$313,296					\$0	\$0
(11) Total Alberta Learning Revenue	\$27,108,524	\$2,786,395	\$22,291,271	\$0	\$668,109			\$1,359,759	\$0
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$0	\$0	\$0	\$0					
(13) Operations & Maintenance support	\$2,771,240			\$2,771,240					
(14) Operations & Maintenance support (One-Time)	\$214,010			\$214,010					
(15) Total Alberta Infrastructure Revenue	\$2,985,250			\$2,985,250					
(16) Alberta Finance	\$568,613			\$568,613					\$0
(17) Other - Government of Alberta	\$5,800	\$0	\$0	\$5,800				\$0	\$0
(18) Federal Government and/or First Nations	\$176,004	\$0	\$176,004	\$0				\$0	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0				\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0				\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0				\$0	\$0
(22) Instruction resource fees	\$197,396	\$14,850	\$192,546						
(23) Transportation fees	\$133,615			\$133,615					
(24) Other sales and services	\$37,748	\$20,200	\$10,000	\$6,738				\$210	\$0
(25) Investment income	\$268,832	\$0	\$268,832	\$0				\$0	\$0
(26) Gifts and donations	\$143,011	\$0	\$143,011	\$0				\$0	\$0
(27) Rentals of facilities	\$78,005		\$0	\$17,109				\$0	\$0
(28) Net school generated funds	\$100,859	\$0	\$100,859	\$0				\$0	\$0
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0				\$0	\$0
(30) Amortization of capital allocations	\$1,311,935		\$54,141	\$1,257,794				\$0	\$0
(31) TOTAL REVENUES	\$33,116,191	\$2,823,435	\$23,227,263	\$4,881,304	\$668,224			\$1,359,969	\$61,496
EXPENSES									
(32) Certificated salaries	\$16,002,385	\$930,425	\$14,839,098				\$232,864	\$32,864	\$0
(33) Certificated benefits	\$1,795,097	\$111,919	\$1,668,396				\$14,782	\$14,782	\$0
(34) Uncertificated salaries and wages	\$5,655,575	\$662,055	\$3,428,568	\$884,243	\$21,322	\$57,809	\$451,411	\$502,245	\$50,442
(35) Uncertificated benefits	\$1,080,286	\$122,840	\$655,449	\$203,483	\$5,286	\$2,188	\$79,320	\$81,508	\$10,320
(36) SUB - TOTAL	\$24,533,342	\$1,828,239	\$20,581,909	\$1,187,726	\$26,607	\$59,997	\$778,403	\$838,399	\$60,462
(37) Services, contracts & supplies	\$5,511,445	\$341,188	\$2,588,172	\$1,435,826	\$755,553	\$77,793	\$321,519	\$392,372	\$1,034
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$100,859	\$0	\$100,859	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,311,935	\$0	\$54,141	\$1,257,794			\$0	\$0	\$0
(41) Unsupported	\$798,153	\$0	\$191,138	\$550,331			\$26,685	\$26,685	\$0
(42) Total Amortization	\$2,080,088	\$0	\$745,279	\$1,808,125			\$26,685	\$26,685	\$0
Interest on capital debt									
(43) Supported	\$568,613	\$0	\$0	\$568,613	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(47) TOTAL EXPENSES	\$32,794,047	\$2,823,434	\$22,832,211	\$5,000,290	\$792,180	\$137,790	\$1,206,665	\$1,264,456	\$61,486
(48) Surplus/(deficit) before unrestricted revenues used for capital purposes	\$322,144	\$0	\$375,052	(\$158,986)	\$10,563			\$95,513	(\$8)

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$11,614,919	\$1,928,477	\$164,368	\$567,930	\$135,428	\$427,976	\$0	\$14,839,098
Certificated benefits	\$1,309,809	\$202,395	\$18,099	\$69,413	\$16,480	\$52,199	\$0	\$1,668,396
Uncertificated salaries and wages	\$478,346	\$928,628	\$0	\$312,298	\$1,709,296	\$0	\$0	\$3,428,568
Uncertificated benefits	\$82,528	\$186,623	\$0	\$62,342	\$324,357	\$0	\$0	\$655,849
SUB - TOTAL REMUNERATION	\$13,485,602	\$3,246,122	\$182,468	\$1,011,982	\$2,185,560	\$480,175	\$0	\$20,591,909
Services, contracts & supplies	\$712,261	\$1,577,705	\$1,338	\$167,425	\$106,175	\$3,269	\$0	\$2,568,172
Cost recoveries & transfers	(\$654,007)	\$0	\$0	\$0	\$0	\$0	\$0	(\$654,007)
Net school generated funds	\$100,859							\$100,859
Amortization of capital assets								
Supported		\$54,141	\$0					\$54,141
Unsupported	\$10,614	\$180,523	\$0					\$191,138
Total Amortization	\$10,614	\$234,665	\$0					\$245,279
Interest on capital debt								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0	\$0					\$0
TOTAL EXPENSES	\$13,655,328	\$5,058,491	\$183,805	\$1,179,408	\$2,291,735	\$483,444	\$0	\$22,852,211
FTE Certificated				84	20			
FTE Uncertificated				143	727			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details				TOTAL REVENUE	TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION			
Basic Instruction	\$16,689,279	\$1,481,598	\$753,446	\$0	\$18,924,324	\$13,798,533	\$5,125,791
School Admin & Instruction Support Expenses						\$5,058,491	(\$5,058,491)
System Instruction Support Expenses						\$183,805	(\$183,805)
Total Basic Instruction	\$16,689,279	\$1,481,598	\$753,446	\$0	\$18,924,324	\$19,040,830	(\$116,506)
Sub-Programs & Initiatives							
Severely Disabled	\$1,202,411	\$33,112	\$0		\$1,335,524	\$2,291,735	(\$956,211)
English as a Second Language	\$8,096				\$8,096	\$25,047	(\$16,951)
Enhanced Opportunities	\$20,400				\$20,400	\$30,579	(\$10,179)
First Nations, Metis, and Inuit Education	\$105,878		\$0		\$105,878	\$140,541	(\$34,663)
Institutional Programs	\$124,668				\$124,668	\$159,607	(\$34,939)
Sparsity & Distance	\$1,926,895				\$1,926,895		\$1,926,895
Growth & Density	\$40,601				\$40,601		\$40,601
Teacher Assistants Program	\$77,908				\$77,908		\$77,908
Early Literacy Initiative (K-2)	\$163,577				\$163,577	\$290,372	(\$126,795)
Learning Resources Credit & Resources for the Classroom	\$34,761	\$77,120	\$182,546		\$294,427	\$508,620	(\$214,193)
Technology Integration	\$161,788		\$0		\$161,788	\$187,949	(\$26,161)
French Language Program & Francisation (all jurisdictions)	\$43,177		\$0		\$43,177	\$99,022	(\$55,845)
Home Education	\$0		\$0		\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$4,010,161	\$182,546	\$182,546		\$4,302,939	\$3,811,382	\$491,558
INSTRUCTION, GRADES 1-12	\$20,699,441	\$1,591,831	\$935,992	\$0	\$23,227,263	\$22,852,211	\$375,052

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$23,286,911
Support Block - Transportation		\$669,109
SUBTOTAL		\$23,956,020
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$2,771,240
Teacher Salary Enhancement		\$851,000
Other Alberta Learning revenues (Describe)		\$321,677
Other - Government of Alberta (Excluding Alberta Finance)		\$5,800
Federal government/First Nations		\$176,004
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$37,748
Interest on investments		\$268,832
Rentals of facilities		\$78,605
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$1,311,935
School generated funds (Schedule E)		\$827,397
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$30,606,258
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.14%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$1,574,570
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	(	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$1,574,570
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,264,456
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$95,513
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$1,359,969
Maximum Expense Limit for Board & System Administration (Step 3)		\$1,574,570
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$214,601

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$356,529
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$827,397	
Less: SGF - related cost recoveries (Note 3)	\$748,239	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$79,157	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		\$79,157
Net SGF Available for discretionary spending		\$435,686
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$100,859
Unexpended SGF - Closing Balance August 31, 2004		\$334,828

Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap.

Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries.

Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.

Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.

Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$804,244	\$77,015	\$0	\$0	\$102,984	\$984,243		\$984,243
Uncertificated benefits	\$167,616	\$15,348	\$0	\$0	\$20,518	\$203,483		\$203,483
Sub-total Remuneration	\$971,861	\$92,363	\$0	\$0	\$123,503	\$1,187,726		\$1,187,726
Contracted Services	\$0	\$301,338	\$0	\$0	\$1,773	\$303,110		\$303,110
Supplies	\$93,590	\$105,521	\$0	\$0	\$580	\$199,690		\$199,690
Electricity			\$523,337			\$523,337		\$523,337
Natural Gas/Heating Fuel			\$307,090			\$307,090		\$307,090
Sewer and Water			\$42,338			\$42,338		\$42,338
Telecommunications			\$17,674			\$17,674		\$17,674
Insurance					\$42,586	\$42,586		\$42,586
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,257,794	\$1,257,794
Unsuported						\$550,331		\$550,331
Total Amortization						\$550,331	\$1,257,794	\$1,808,125
Interest on capital debt								
Supported							\$568,613	\$568,613
Unsuported				\$0		\$0	\$0	\$0
Other interest charges						\$0	\$0	\$0
Losses on disposal of capital assets						\$0	\$0	\$0
Cost recoveries & transfers						\$0	\$0	\$0
TOTAL EXPENSES	\$1,065,450	\$499,221	\$890,439	\$0	\$168,441	\$3,173,883	\$1,826,407	\$5,000,290
SQUARE METRES								
School Buildings								42,190.0
Non School Buildings								1,967.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	22.9	2.0						
Contracted Services	0.0	0.0						

Notes: All expenses related to activities undertaken to keep the school environment clean and safe.

Custodial: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Maintenance: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

Utilities & Telecommunications: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

Expensed IMP & Portable Relocations: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Facility Planning & Operations Maintenance: All expenses related to supported capital assets amortization and interest on supported capital debt.

Supported Capital & Debt Services:

SCHEDULE G to the AFS

[illegible]

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Legal Name of School Jurisdiction

231 HARDIN STREET, FORT MCMURRAY, AB T9H 2G2

Mailing Address

PHONE (780) 799-7900 FAX (780) 743-2655

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules FORT MCMURRAY SCHOOL DISTRICT NO. 2833

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

JEFF THOMPSON

Name

"Original Signed By"

Signature

SUPERINTENDENT

KATH RHYASON

Name

"Original Signed By"

Signature

SECRETARY TREASURER OR TREASURER

ALLAN KALLAL

Name

"Original Signed By"

Signature

14-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

We have audited the statement of financial position of the Fort McMurray School District No. 2833 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended prepared in accordance to Canadian generally accepted accounting principles and the presentation requirements of Alberta Learning. These financial statements are the responsibility of the district's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

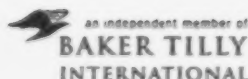
In our opinion, these financial statements present fairly, in all material respects, the financial position of the school district as at August 31, 2004 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles and the presentation requirements of Alberta Learning.

This audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

Chartered Accountants

Fort McMurray, Alberta
December 2, 2004



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
9707 MAIN ST., FORT MCMURRAY, AB T9H 1T5
PH. (780) 791-9000 FAX (780) 791-9047 www.mnp.ca

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$3,639,471	\$10,339,131
Accounts receivable (net after allowances)	\$2,813,749	\$1,346,841
Prepaid expenses	\$553,544	\$443,264
Other current assets	\$0	\$0
Total current assets	\$7,006,764	\$12,129,236
School generated assets	\$764,143	\$635,958
Trust assets	\$646,792	\$461,963
Long term accounts receivable	\$400,000	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$4,092,703	\$4,371,874
Buildings	\$63,406,709	
Less: accumulated amortization	(\$29,217,811)	
Equipment	\$6,607,702	
Less: accumulated amortization	(\$6,059,444)	
Vehicles	\$338,300	
Less: accumulated amortization	(\$288,666)	
Total capital assets	\$38,879,493	\$35,179,057
TOTAL ASSETS	\$47,697,192	\$48,406,214
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,264,841	\$3,835,488
Deferred revenue	\$2,389,998	\$2,434,722
Deferred capital allocations	\$2,046,882	\$4,156,791
Current portion of all long term debt	\$896,314	\$1,101,986
Total current liabilities	\$7,598,035	\$11,528,987
School generated liabilities	\$764,143	\$635,958
Trust liabilities	\$646,792	\$461,963
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$2,293,854	\$3,395,839
Less: Current portion of supported debt	(\$896,314)	(\$1,101,986)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$28,050,206	\$25,402,306
Total long term liabilities	\$30,858,681	\$28,794,080
TOTAL LIABILITIES	\$38,456,716	\$40,323,067
NET ASSETS		
Unrestricted net assets	\$0	\$241,716
Operating Reserves	\$605,104	\$1,360,579
Accumulated Operating Surplus (Deficit)	\$605,104	\$1,602,295
Investment in capital assets	\$8,535,431	\$6,380,912
Capital Reserves	\$99,940	\$99,940
Total Capital Funds	\$8,635,371	\$6,480,852
Total net assets	\$9,240,475	\$8,083,147
TOTAL LIABILITIES AND NET ASSETS	\$47,697,191	\$48,406,214

Note: Input "[Restated]" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31
(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$32,400,272	\$30,244,849	\$30,989,092
Alberta Infrastructure	\$3,525,017	\$3,554,376	\$4,032,177
Alberta Finance	\$315,220	\$720,883	\$462,848
Other Government of Alberta	\$27,511	\$43,412	\$28,444
Federal Government and/or First Nations	\$528,725	\$228,000	\$204,901
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$220,647	\$190,350	\$192,271
Transportation fees	\$175,548	\$146,625	\$170,178
Other sales and services	\$101	\$0	\$816
Investment income	\$95,352	\$125,000	\$109,115
Gifts and donations	\$130,000	\$0	\$167,500
Rentals of facilities	\$65,020	\$0	\$79,528
Net school generated funds	\$497,173	\$1,250,000	\$755,293
Gains on disposal of capital assets	\$81,767	\$0	\$0
Amortization of capital allocations	\$1,654,957	\$1,385,000	\$1,450,847
Total Revenues	\$39,717,310	\$37,888,495	\$38,663,010
EXPENSES			
Certificated salaries	\$16,017,208	\$16,000,000	\$15,819,942
Certificated benefits	\$2,776,709	\$3,000,000	\$2,864,946
Uncertificated salaries and wages	\$7,355,020	\$7,600,000	\$7,618,283
Uncertificated benefits	\$1,781,806	\$1,500,000	\$1,677,090
Services, contracts and supplies	\$7,858,109	\$7,510,912	\$7,780,338
Net school generated funds	\$497,173	\$1,250,000	\$755,293
Capital and debt services			
<i>Amortization of capital assets</i>			
Supported	\$1,654,957	\$1,385,000	\$1,450,847
Unsupported	\$78,137	\$0	\$122,315
Total Amortization of capital assets	\$1,733,094	\$1,385,000	\$1,573,162
<i>Interest on capital debt</i>			
Supported	\$315,220	\$720,883	\$434,284
Unsupported	\$0	\$0	\$7,659
Total Interest on capital debt	\$315,220	\$720,883	\$441,943
Other interest charges	\$9,330	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$38,343,669	\$38,966,795	\$38,530,997
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$1,373,641	(\$1,078,300)	\$132,013
Unrestricted revenues used for capital purposes	\$62,858	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$1,436,499	(\$1,078,300)	\$132,013

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$1,436,499	\$132,015
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,654,957)	(\$1,450,847)
Total amortization expense	\$1,733,094	\$1,573,162
Gains on disposal of capital assets	(\$81,767)	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$1,466,908)	(\$593,767)
Prepays and other current assets	(\$110,280)	\$25,579
Long term accounts receivable	(\$400,000)	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,570,647)	\$1,048,421
Deferred revenue	(\$44,724)	\$212,101
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$2,159,690)	\$946,664
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$6,347,008)	(\$5,271,335)
Equipment	(\$292,572)	(\$107,302)
Vehicles	(\$8,477)	\$0
Net proceeds from disposal of capital assets	\$81,767	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$6,566,290)	(\$5,378,637)
C. FINANCING ACTIVITIES		
Capital allocations received	\$2,026,320	\$7,322,149
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,101,985)	(\$1,195,711)
Add back: supported portion	\$1,101,985	\$1,195,711
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$2,026,320	\$7,322,149
Net sources (uses) of cash equivalents* during year	(\$6,699,660)	\$2,890,176
Cash Equivalents at the beginning of the year	\$10,339,131	\$7,448,955
Cash Equivalents at the end of the year	\$3,639,471	\$10,339,131

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

(in dollars)

	(1) TOTAL NET ASSETS (Columns 2-3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS								(14)	
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Transportation		(10) External Services	
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves
Balance at August 31, 2003	\$8,083,147	\$6,380,912	\$241,716	\$1,400,519	\$774,661	\$0	\$0	\$99,940	\$385,918	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (descr/des)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$8,083,147	\$6,380,912	\$241,716	\$1,400,519	\$774,661	\$0	\$0	\$99,940	\$385,918	\$0	\$0	\$0	\$0	\$0
Surplus(def) of revenue over expenses	\$1,435,489		\$1,435,489											
Board funded capital transactions		\$2,511,827	(\$2,437,010)	(\$74,817)	(\$74,817)	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Develoent of non-amortizable assets	\$0	\$0												
Amortization of capital assets		(\$1,733,094)	\$1,733,094											
Amortization of capital allocations		\$1,654,957	(\$1,654,957)											
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Disposal of supported capital assets-unsupported portion	(\$279,171)	(\$279,171)	\$0	\$0		\$0		\$0		\$0		\$0		\$0
Debt principal payments (unrestricted)		\$0	\$0	\$0								\$63,462		\$0
Net transfers to operating reserves			(\$1,003,966)	\$1,003,966	\$389,277		\$417,376		\$123,890				\$0	\$0
Net transfers from operating reserves			\$1,684,643	(\$1,684,643)	(\$848,079)		(\$417,376)		(\$555,740)				\$0	\$0
Net transfers to capital reserves			\$0	\$0		\$0							\$0	\$0
Net transfers from capital reserves			\$0	\$0		\$0							\$0	\$0
Balance at August 31, 2004	\$9,240,476	\$6,535,431	\$0	\$3,705,044	\$441,548	\$0	\$0	\$99,940	\$184,098	\$0	\$0	\$0	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$4,156,791	\$25,402,306
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$1,461,280	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$65,040	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$500,000	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,101,985
Expended capital allocations - current year	(\$4,136,229)	\$4,136,229
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$935,357
Capital allocations amortized to revenue		\$1,654,957
Balance at August 31, 2004	\$2,046,882	\$28,050,206

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

The Fort McMurray School District No. 2833 is governed by statutes of Alberta under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2003. The district is exempt from payment of income tax under Section 149 of the Income Tax Act.

The district receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the district, within specified limits, to reallocate funding between instruction and support blocks.

1. Significant accounting principles and reporting practices:

The financial statements have been prepared by school district management in accordance with Canadian generally accepted accounting principles for school jurisdictions and include the following significant accounting policies:

a) Revenue recognition:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable.

Capital allocations from the province or other funding agencies are recorded as deferred capital allocations until spent. Once spent they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the capital allocation. Capital allocations relate to capital grants received or to debenture support received for debt originally incurred for the purpose of acquiring capital assets.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833
Notes to Financial Statements

August 31, 2004

1. Significant accounting principles and reporting practices (continued):

b) Capital assets:

The school district recognizes a capital asset as any capital asset that has an original cost greater than \$5,000 per item; except that where a new facility is constructed the initial furnishings for the facility are capitalized en bloc.

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

	<u>Years</u>
Buildings	10 - 40
Equipment	5
Vehicles	5 - 10

No amortization is recorded in the year the asset is acquired.

Where a disposition of supported capital assets occurs, the net gain from the disposition is recorded in the deferred capital allocations account. This policy provides for a matching of revenue and expenditure streams related to future capital asset purchases.

c) Vacation pay:

Vacation pay is accrued in the period in which the employee earns the benefit.

d) School generated funds:

Funds generated from school-based activities are included as assets, liabilities, revenue and expense of the school district because the fiduciary responsibility for these funds rests with the Board of Trustees of the school district. These funds are usually collected and retained at the schools for expenditures paid at the school level (e.g. yearbooks, graduation costs, field trips).

e) Contributed services:

Volunteers assist schools operated by the school district in carrying out certain activities. Because of the difficulty of determining fair value and because such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

f) Pensions

Pension costs included in these statements comprise the cost of district contributions for current service of employees.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

1. Significant accounting principles and reporting practices (continued):

g) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies which will be consumed subsequent to year end, and are accordingly recorded as prepaid expenses. Prepaid expenses also include the unexpired insurance premiums at year end.

h) Operating and capital reserves

Reserves are established at the discretion of the school district trustees or externally, to set aside funds for operating and for capital expenditures. Such reserves are appropriations of unrestricted net assets.

i) Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Prepaid expenses and gain on disposal of capital assets include amounts based on estimates of the fair value of future rent payments.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the periods in which they become known.

2. Temporary investments:

Temporary investments consist of guaranteed investment certificates earning variable rate interest based on bank prime minus 2.1% and maturing within the next 12 months.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

3. Accounts receivable:

	2004	2003
	(\$000)	(\$000)
Provincial government	2,233	592
Federal government	226	193
Other	355	562
	2,814	1,347

4. Trust assets and liabilities:

	2004	2003
	(\$000)	(\$000)
Scholarships	68	68
Music	18	20
Deferred leave	31	31
Student Health Initiative	520	334
Other	10	9
	647	462

5. Long term accounts receivable:

Long term accounts receivable consists of a mortgage receivable from The YMCA of Wood Buffalo, A Society. The amount is repayable in four yearly payments of \$100,000 commencing on June 30, 2005 through June 30, 2008. The amount is non-interest bearing and is secured by the Birchwood School building.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

6. Capital assets:

		2004 (\$000)		2003 (\$000)
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	4,093		4,093	4,372
Buildings	63,407	29,218	34,189	30,341
Equipment	6,608	6,060	548	395
Vehicles	338	288	50	71
	74,446	35,566	38,880	35,179

7. Sale of Birchwood School:

On June 30, 2004, the school district sold the Birchwood School building and assigned the head lease for the land on which it sits to The YMCA of Wood Buffalo, A Society for \$500,000. The school district secured a mortgage for \$400,000 as described in Note 5. As part of the agreement, the school district is renting back specified space in the Birchwood School building and the Westwood YMCA building at a rate of \$1 per year. The fair value of the rent to be paid over the next two years at Birchwood School and the next five years at Westwood YMCA has been established at \$100,301 of which \$5,367 has been recorded as an expense in the current year and \$94,934 has been included in prepaid expenses.

8. Energy retrofit project:

During the year, the school district undertook an energy retrofit project to increase the energy efficiency of school district buildings. The costs incurred in the current year were \$2,365,675. An additional \$383,809 will be incurred in the coming year to complete the project. These amounts have been added to the cost of the buildings included in Note 6. The school district expects to recover the cost of this project over the next 10 years in the form of lower utility and maintenance costs.

The school district funded this capital project by using operating monies. As a direct result unrestricted net assets has been reduced to \$0 and restricted net assets has been reduced by \$1,267,267.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

9. Bank indebtedness:

At August 31, 2004, the school district had a line of credit totaling \$2,000,000, none of which was drawn. Interest is charged at the prime rate.

10. Deferred revenue:

	2004 (\$000)	2003 (\$000)
B.Q.R.P. (I.M.P.) and modernization block funding	731	685
Alberta Learning one-time funding 1999	812	909
Alberta Learning – Ecole Boreal	588	588
Alberta initiative for school improvement (AIS)	145	49
Native education project	114	204
	2,390	2,435

11. Deferred capital allocations:

Deferred capital allocations show the cumulative amount of capital funding received for projects which the school district had not completed as of the year end. These projects and deferred capital allocations may be summarized as follows:

	2004 (\$000)	2003 (\$000)
School capital funding		3,156
Unspent capital modernization funding	1,090	609
Unspent proceeds from disposal of supported assets	710	210
Interest earned on funding balances	247	182
	2,047	4,157

Included in unspent proceeds from disposal of supported assets is the \$400,000 mortgage receivable from The YMCA of Wood Buffalo, A Society. This amount will be received over the next four years in yearly installments of \$100,000. As such, this amount does not represent cash currently available for capital expenditures.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833**Notes to Financial Statements**

August 31, 2004

12. Long-term debt:

	2004 (\$000)	2003 (\$000)
Alberta Municipal Finance Corporation debentures, interest rates vary from 9.38% to 12.0%. Repayment terms vary from 7 years to 25 years	2,294	3,396
Less current portion	(896)	(1,102)
	1,398	2,294

Principal repayments of long-term debt are required as follows:

	(\$000)
Year ended August 31, 2005	896
2006	896
2007	377
2008	114
2009 to maturity	11
	2,294

The debentures are secured against district school buildings having a net book value of \$32,813,267.

13. Restricted operating reserves:

	2004 (\$000)	2003 (\$000)
Board and system administration	164	586
System instruction support	441	775
	605	1,361

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

14. Unamortized capital allocations:

Unamortized capital allocations (UCA) represent the district's net investment in supported capital assets. Capital allocations are increased by the principal portion of debenture debt repayments and by expenditures made from the deferred capital allocations account. Capital allocations are amortized over the same period of time as the related assets.

Changes in unamortized capital allocations may be summarized as follows:

	2004 (\$000)	2003 (\$000)
Balance, beginning of year	25,402	20,386
Debenture support received	1,102	1,196
Capital asset expenditures	4,136	5,271
Less amortization of capital allocations	(1,655)	(1,451)
Unamortized capital allocations affected by a disposal	(935)	
Balance, end of year	28,050	25,402

15. Budget amounts:

The budget was prepared by the school jurisdiction management with Board of Trustees' approval given on June 24, 2003. It is presented for information purposes only and has not been audited.

16. Contingent assets:

The school district is a member of The Urban Schools Insurance Consortium (USIC) which facilitates the placement of property and liability insurance coverage for thirteen jurisdictions throughout the province of Alberta. Premium rebates are received from favorable claims experience and accumulated by the consortium to self-insure a portion of the members' risk. The district's share of the accumulated consortium funds as at August 31, 2004 was \$184,465 (2003 - \$218,041). This contingent asset is not recorded in the accounts of the school district. Amounts paid to USIC are recorded as insurance expense in the year paid.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833

Notes to Financial Statements

August 31, 2004

17. Contingent liabilities:

The school district is currently negotiating a collective bargaining agreement with the Alberta Teachers' Association. The previous collective bargaining agreement ended August 31, 2003. The school district is unable to determine at this point what amounts, if any, relating to the current fiscal period may become payable as a result of the final collective bargaining agreement.

18. Financial instruments:

The school district's financial instruments consist of cash and temporary investments, accounts receivable, loan receivable, accounts payable, accrued liabilities and long term debt.

The carrying amount of cash and temporary investments, accounts receivable, accounts payable and accrued liabilities approximates their fair value due to the short-term maturities of these items.

The fair value of the school district's long term accounts receivable described in Note 5 has been estimated at \$358,752 using expected future cash flows, discounted at rates which factor in the risk associated with the investment. The school district has not written down the value of the long term accounts receivable to fair value as at August 31, 2004 as it believes the carrying amount reflects the face value as shown in the legal contract.

The fair value of the school district's fixed rate long-term debt is also approximated by its carrying value, as there have been no significant changes in lending rates or other conditions.

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the school district manages exposure through its normal operating and financing activities. The school district is not exposed to interest rate risk primarily because debt is support by government agencies.

Unless otherwise noted, it is management's opinion that the school district is not exposed to significant interest, currency or credit risks arising from these financial instruments.

FORT MCMURRAY SCHOOL DISTRICT NO. 2833
Notes to Financial Statements

August 31, 2004

19. Operating lease commitments:

The following operating lease payments are required under the terms of leases expiring through 2009:

2005	156,062
2006	156,062
2007	156,062
2008	156,062
2009	146,802

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$27,987,045	\$2,421,733	\$25,565,312						
(2) Support block	\$2,558,732	\$0	(\$100,000)		\$1,000,896			\$1,557,836	
(3) Instruction & support block reallocations	\$0	\$0			\$100,000			\$0	\$0
(4) Alberta Initiative for School Improvement (AISII)	\$482,887	\$0	\$482,887					\$0	\$0
(5) Student Health Initiative (SHI)	\$7,517	\$0	\$7,517					\$0	\$0
(6) Supernet Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$1,027,000	\$0	\$1,027,000					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0						\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$337,091	\$0	\$337,091	\$0	\$0			\$0	\$0
(10) Other Alberta Learning revenues	\$32,400,272	\$2,421,733	\$27,319,807	\$0	\$1,100,896			\$1,557,836	\$0
Total Alberta Learning Revenue									
(11)	\$136,727			\$136,727					
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$3,388,290			\$3,388,290					
(13) Operations & Maintenance support	\$0			\$0					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
Total Alberta Infrastructure Revenue									
(15)	\$3,525,017			\$3,525,017					
(16) Alberta Finance	\$315,220			\$315,220					\$0
(17) Other - Government of Alberta	\$27,511	\$0	\$27,511	\$0	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$528,725	\$0	\$528,725	\$157,838	\$0			\$0	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$220,647	\$0	\$220,647	\$175,549	\$0			\$0	\$0
(23) Transportation fees	\$175,548	\$0	\$175,548	\$0	\$0			\$0	\$0
(24) Other sales and services	\$101	\$0	\$101	\$0	\$0			\$0	\$0
(25) Investment income	\$95,352	\$0	\$95,352	\$0	\$0			\$0	\$0
(26) Gifts and donations	\$130,000	\$0	\$130,000	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$85,020	\$0	\$85,020	\$0	\$0			\$0	\$0
(28) Net school generated funds	\$497,173	\$0	\$497,173	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$81,787	\$0	\$81,787	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$1,654,957	\$0	\$1,654,957	\$1,654,957	\$0			\$0	\$0
(31) TOTAL REVENUES	\$38,717,310	\$2,421,733	\$26,726,493	\$5,734,799	\$1,278,444			\$1,557,836	\$0
EXPENSES									
(32) Certificated salaries	\$18,017,208	\$500,918	\$15,507,290					\$0	\$0
(33) Certificated benefits	\$2,776,709	\$50,339	\$2,683,370					\$0	\$0
(34) Uncertificated salaries and wages	\$7,355,020	\$1,001,638	\$3,925,448	\$1,618,350	\$38,992	\$18,013	\$693,581	\$769,594	\$0
(35) Uncertificated benefits	\$1,781,806	\$243,177	\$1,019,365	\$372,380	\$9,850	\$1,752	\$135,282	\$137,034	\$0
(36) SUB - TOTAL	\$27,930,743	\$1,848,070	\$23,135,473	\$1,990,730	\$48,842	\$7,765	\$928,853	\$938,628	\$0
(37) Services, contracts & supplies	\$7,858,109	\$448,391	\$3,586,801	\$2,185,402	\$1,163,150	\$80,108	\$382,657	\$473,385	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$497,173	\$0	\$497,173	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,654,957	\$0	\$1,654,957	\$1,654,957	\$0		\$9,253	\$9,253	\$0
(41) Unsupported	\$78,137	\$0	\$78,137	\$5,789	\$0	\$0	\$34,710	\$34,710	\$0
Total Amortization	\$1,733,094	\$0	\$1,733,094	\$1,661,493	\$0	\$0	\$43,963	\$43,963	\$0
Interest on capital debt									
(43) Supported	\$315,220	\$0	\$315,220	\$315,220	\$0	\$0	\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$9,330	\$0	\$9,330	\$9,330	\$0	\$0	\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$38,343,669	\$2,297,461	\$27,257,085	\$6,152,175	\$1,212,902	\$168,473	\$1,255,483	\$1,423,656	\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$1,373,641	\$124,272	\$1,405,413	(\$417,216)	\$65,452			\$133,880	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$12,014,728	\$2,752,765	\$3,572	\$507,743	\$0	\$228,482	\$0
Certificated benefits	\$2,005,092	\$545,283	\$760	\$92,291	\$0	\$39,944	\$0
Uncertificated salaries and wages	\$1,038,310	\$1,021,360	\$57,855	\$0	\$1,767,518	\$42,405	\$0
Uncertificated benefits	\$288,585	\$234,448	\$14,741	\$0	\$472,728	\$8,863	\$0
SUB - TOTAL REMUNERATION	\$15,344,715	\$4,553,856	\$76,928	\$600,034	\$2,240,246	\$319,694	\$0
Services, contracts & supplies	\$2,379,479	\$973,421	\$57,283	\$5,600	\$308	\$153,193	\$7,517
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$497,173						\$497,173
Amortization of capital assets							
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$37,638	\$0				\$37,638
Total Amortization	\$0	\$37,638	\$0	\$0	\$0	\$0	\$37,638
Interest on capital debt							
Supported	\$0	\$0					\$0
Unsupported	\$0	\$0					\$0
Other interest charges	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0					\$0
TOTAL EXPENSES	\$18,221,367	\$5,564,915	\$134,211	\$605,634	\$2,240,554	\$482,867	\$7,517
FTE Certificated				8.5	0.0		
FTE Uncertificated				0.0	83.5		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE		
Basic Instruction	\$19,252,584	\$1,734,886	\$1,186,044	(\$100,000)	\$22,073,514	\$17,387,346	\$4,686,168
School Admin & Instruction Support Expenses						\$5,564,915	(\$5,564,915)
System Instruction Support Expenses						\$134,211	(\$134,211)
Total Basic Instruction	\$19,252,584	\$1,734,886	\$1,186,044	(\$100,000)	\$22,073,514	\$23,096,472	(\$1,012,958)
Sub-Programs & Initiatives							
Severely Disabled	\$3,084,550	\$0	\$0		\$3,084,550	\$2,240,554	\$843,996
English as a Second Language	\$180,320				\$180,320	\$180,320	\$0
Enhanced Opportunities	\$68,340				\$68,340	\$68,340	\$0
First Nations, Metis, and Inuit Education	\$102,130		\$0		\$102,130	\$102,130	\$0
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$2,274,858				\$2,274,858	\$2,274,858	\$0
Growth & Density	\$78,975				\$78,975	\$78,975	\$0
Teacher Assistants Program	\$80,074				\$80,074	\$80,180	(\$106)
Early Literacy Initiative (K-2)	\$149,895				\$149,895	\$220,543	(\$70,648)
Learning Resources Credit & Resources for the Classroom	\$45,633	\$119,609	\$220,647		\$385,889	\$355,552	\$30,337
Technology Integration	\$191,004		\$0		\$191,004	\$856,045	(\$675,041)
French Language Program & Francisation (all jurisdictions)	\$32,318		\$0		\$32,318	\$32,318	\$0
Home Education	\$24,631		\$0		\$24,631	\$24,631	\$0
Total Sub-Programs & Initiatives	\$6,312,728		\$220,647		\$6,533,375	\$4,170,613	\$2,482,371
INSTRUCTION, GRADES 1-12	\$25,565,312	\$1,854,495	\$1,406,691	(\$100,000)	\$28,726,498	\$27,257,085	\$1,469,413

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS - 12 (excluding technology integration)	\$27,796,041
Support Block - Transportation	\$1,000,896
SUBTOTAL	\$28,796,937
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,388,290
Teacher Salary Enhancement	\$1,027,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$27,511
Federal government/First Nations	\$528,725
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$101
Interest on investments	\$95,352
Rentals of facilities	\$65,020
Gains on disposal of capital assets	\$81,767
Amortization of capital allocations	\$1,654,957
School generated funds (Schedule E)	\$920,328
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$36,585,988
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.87%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,781,664
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0 \$0
If Francophone Board, enter 400,000	0 \$0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,781,664
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,423,956
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$133,880
LESS: transfers from Restricted - Operating (Board/System Administration)	-\$555,740
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,002,096
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,781,664
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$779,568

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$635,958
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$920,328	
Less: SGF - related cost recoveries (Note 3)	\$350,087	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$570,241	
Plus: Donations Received (Note 5)	\$55,117	
Equals: Net Additions to SGF		\$625,358
Net SGF Available for discretionary spending		\$1,261,316
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$497,173
Unexpended SGF - Closing Balance August 31, 2004		\$764,143
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,219,670	\$346,540	\$0	\$0	\$52,140	\$1,618,350		\$1,618,350
Uncertificated benefits	\$284,603	\$78,648	\$0	\$0	\$9,129	\$372,380		\$372,380
Sub-total Remuneration	\$1,504,273	\$425,188	\$0	\$0	\$61,269	\$1,990,730		\$1,990,730
Contracted Services	\$0	\$267,069	\$16,534	\$136,727	\$3,006	\$423,336		\$423,336
Supplies	\$115,054	\$89,437	\$0	\$0	\$0	\$204,491		\$204,491
Electricity			\$801,943			\$801,943		\$801,943
Natural Gas/Heating Fuel			\$601,148			\$601,148		\$601,148
Sewer and Water			\$66,749			\$66,749		\$66,749
Telecommunications			\$16,534			\$16,534		\$16,534
Insurance					\$71,201	\$71,201		\$71,201
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets							\$1,645,704	\$1,645,704
Supported							\$5,789	\$5,789
Unsupported							\$5,789	\$1,651,493
Total Amortization								
Interest on capital debt								
Supported							\$315,220	\$315,220
Unsupported				\$0				\$0
Other interest charges						\$9,330		\$9,330
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,619,327	\$781,694	\$1,502,908	\$136,727	\$135,476	\$4,191,251	\$1,960,924	\$6,152,175
SQUARE METRES								
School Buildings								55,938.5
Non School Buildings								5,916.8
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	34.0	6.0						
Contracted Services	0.0	0.0						

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AES

\$0	\$401,785
-----	-----------

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Fort Vermilion School Division No. 52

Legal Name of School Jurisdiction

P.O. Bag # 1, Fort Vermilion, Alberta T0H 1N0

Mailing Address

Phone : 1-780-927- 3766 Fax : 1-780-927-4625

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Fort Vermilion School Division No. 52

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mr. Wally Schroeder

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Mr. Kenneth Dropko

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Mr. Jeff Perry

Name

"ORIGINAL SIGNED"

Signature

30-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To the Board of Trustees of

FORT VERMILION SCHOOL DIVISION NO. 52

We have audited the statement of financial position of the **Fort Vermilion School Division No. 52** as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Meyers Norris Penny LLP

October 29, 2004
Leduc, Alberta

CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$860,436	\$0
Accounts receivable (net after allowances)		\$3,358,269	\$3,021,750
Prepaid expenses		\$432,424	\$213,247
Other current assets		\$99,964	\$150,288
Total current assets		\$4,751,093	\$3,385,285
School generated assets		\$288,193	\$274,837
Trust assets		\$90,176	\$114,566
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$712,077	\$712,077
Buildings	\$70,641,436		
Less: accumulated amortization	(\$19,673,555)	\$50,967,881	\$51,204,894
Equipment	\$5,200,056		
Less: accumulated amortization	(\$2,635,425)	\$2,564,631	\$3,263,025
Vehicles	\$5,217,721		
Less: accumulated amortization	(\$3,136,504)	\$2,081,217	\$2,165,534
Total capital assets		\$56,325,806	\$57,345,530
TOTAL ASSETS		\$61,455,268	\$61,120,218
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$221,232
Accounts payable and accrued liabilities		\$2,433,696	\$2,118,863
Deferred revenue		\$255,683	\$289,323
Deferred capital allocations		\$1,937,529	\$85,886
Current portion of all long term debt		\$1,350,709	\$1,390,831
Total current liabilities		\$5,977,617	\$4,106,135
School generated liabilities		\$288,193	\$274,837
Trust liabilities		\$90,176	\$114,566
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$6,557,578	\$7,948,410
Less: Current portion of supported debt		(\$1,350,709)	(\$1,390,831)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$41,527,760	\$40,424,558
Total long term liabilities		\$47,112,998	\$47,371,540
TOTAL LIABILITIES		\$53,090,615	\$51,477,675
NET ASSETS			
Unrestricted net assets		\$0	\$0
Operating Reserves		\$56,204	\$488,948
Accumulated Operating Surplus (Deficit)		\$56,204	\$488,948
Investment in capital assets		\$8,240,464	\$8,972,558
Capital Reserves		\$67,985	\$181,037
Total Capital Funds		\$8,308,449	\$9,153,595
Total net assets		\$8,364,653	\$9,642,543
TOTAL LIABILITIES AND NET ASSETS		\$61,455,268	\$61,120,218

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$24,561,128	\$25,772,385	\$24,341,751
Alberta Infrastructure	\$2,847,888	\$2,414,897	\$3,647,317
Alberta Finance	\$729,001	\$810,934	\$874,912
Other Government of Alberta	\$411,436	\$150,000	\$150,000
Federal Government and/or First Nations	\$3,237,498	\$3,295,744	\$3,217,054
Other Alberta school authorities	\$140,719	\$140,719	\$140,719
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$54,394	\$48,000	\$50,680
Transportation fees	\$0	\$0	\$0
Other sales and services	\$127,005	\$180,945	\$238,441
Investment income	\$4,175	\$60,000	\$36,858
Gifts and donations	\$0	\$0	\$17,125
Rentals of facilities	\$313,855	\$180,000	\$306,310
Net school generated funds	\$71,693	\$160,000	\$221,158
Gains on disposal of capital assets	\$5,310	\$0	\$4,791
Amortization of capital allocations	\$2,566,173	\$1,897,597	\$2,310,196
Total Revenues	\$35,070,275	\$35,111,221	\$35,557,312
EXPENSES			
Certificated salaries	\$15,574,384	\$15,787,117	\$15,018,265
Certificated benefits	\$1,625,125	\$1,907,294	\$1,626,132
Uncertificated salaries and wages	\$6,617,862	\$6,479,192	\$6,371,878
Uncertificated benefits	\$1,158,775	\$1,236,734	\$1,213,489
Services, contracts and supplies	\$6,766,935	\$6,230,391	\$7,873,753
Net school generated funds	\$71,693	\$160,000	\$221,158
Capital and debt services			
Amortization of capital assets			
Supported	\$2,566,173	\$1,897,597	\$2,310,396
Unsupported	\$1,226,541	\$819,462	\$1,098,660
Total Amortization of capital assets	\$3,792,714	\$2,717,059	\$3,409,056
Interest on capital debt			
Supported	\$729,001	\$810,934	\$874,912
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$729,001	\$810,934	\$874,912
Other interest charges	\$11,676	\$0	\$2,071
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$36,348,165	\$35,328,721	\$36,610,714
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$1,277,890)	(\$217,500)	(\$1,053,402)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary Item		\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$1,277,890)	(\$217,500)	(\$1,053,402)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$1,277,890)	(\$1,053,402)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$2,566,173)	(\$2,310,196)
Total amortization expense	\$3,792,714	\$3,409,056
Gains on disposal of capital assets	(\$5,310)	(\$4,791)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$336,519)	(\$107,593)
Prepays and other current assets	(\$168,853)	\$123,423
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$314,833	(\$1,957,122)
Deferred revenue	(\$33,640)	(\$1,022,602)
Employee future benefits	\$0	\$0
Other (describe) Net cap. alloc/holdback non-cash transaction	(\$315,864)	\$1,271,005
Total sources (uses) of cash from Operations	(\$596,702)	(\$1,652,222)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,255,915)	(\$1,367,058)
Equipment	(\$199,570)	(\$1,475,062)
Vehicles	(\$352,643)	(\$466,222)
Net proceeds from disposal of capital assets	\$40,448	\$35,000
Other (describe) Net holdback non-cash transaction	\$769,814	(\$1,179,653)
Total sources (uses) of cash from Investing activities	(\$1,997,866)	(\$4,452,995)
C. FINANCING ACTIVITIES		
Capital allocations received	\$4,130,186	\$1,372,930
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,390,832)	(\$1,436,321)
Add back: supported portion	\$1,390,832	\$1,436,321
Other (describe) Net capital allocations non-cash transaction	(\$453,950)	(\$91,352)
Total sources (uses) from Financing activities	\$3,676,236	\$1,281,578
Net sources (uses) of cash equivalents* during year	\$1,081,668	(\$4,823,639)
Cash Equivalents at the beginning of the year	(\$221,232)	\$4,602,407
Cash Equivalents at the end of the year	\$860,436	(\$221,232)

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.
 Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2-3-4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)								(13) External Services
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Transportation		
					Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd O & M Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	
Balance at August 31, 2003	\$9,642,543	\$8,972,558	\$0	\$669,985	\$488,948	\$116,034	\$0	\$30,128	\$0	\$0	\$34,225	\$0	\$0
Prior period adjustments (increases)													
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$9,642,543	\$8,972,558	\$0	\$669,985	\$488,948	\$116,034	\$0	\$30,128	\$0	\$0	\$34,225	\$0	\$0
Surplus/(def) of revenue over expenses	(\$1,277,890)		(\$1,277,890)										
Board funded capital transactions		\$528,585	(\$320,431)	(\$208,154)	(\$15,654)	(\$135,505)	\$0	(\$17,995)	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0											
Amortization of capital assets		(\$3,792,714)	\$3,792,714										
Amortization of capital allocations		\$2,568,173	(\$2,568,173)										
Disposal of unsupported capital assets	\$0	(\$35,138)	(\$5,310)	\$40,448	\$37,948	\$0	\$0	\$0	\$0	\$0	\$2,500	\$0	\$0
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0		\$0	\$0					\$0	\$0	\$0
Debt principal payments (unsupported)		\$0	\$0										
Net transfers to operating reserves			(\$176,082)	\$176,082	\$176,082	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers from operating reserves			\$553,172	(\$553,172)	(\$553,172)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net transfers to capital reserves			\$0	\$0	\$0	\$0					\$0	\$0	\$0
Net transfers from capital reserves			\$0	\$0	\$0	\$0					\$0	\$0	\$0
Balance at August 31, 2004	\$8,364,653	\$8,240,464	\$0	\$124,189	\$58,204	\$19,127	\$0	\$12,133	\$0	\$0	\$36,725	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$85,886	\$40,424,558
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$4,111,858	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$18,328	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,390,832
Expended capital allocations - current year	(\$2,278,543)	\$2,278,543
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$2,566,173
Balance at August 31, 2004	\$1,937,529	\$41,527,760

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

1. Authority and Purpose

The School Division delivers education programs under the authority of the *School Act*, Chapter S-3, Statutes of Alberta, January 1, 2002. It is not taxable under Section 149(1) of the *Income Tax Act*.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

The School Division amortizes grants received for construction and acquisition of capital assets as revenue on the same basis that the cost of the assets is amortized as expense. Since the receipt of the grants does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position. These capital allocations are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

2. Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost and amortized over the estimated useful lives of the assets on a straight-line basis at the following rates:

Buildings	25 and 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years
Land Improvements	20 years

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. No amortization is taken in the year of acquisition.

School Generated Funds

Funds generated from school-based activities are included in assets, liabilities, revenues and expenses of the School Division because the accountability, control and ownership of these funds rest with the School Division. These funds are usually collected and retained at the school for expenditures paid at the school level.

Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$17,819 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of 444,980,000).

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

2. Significant Accounting Policies (continued)

Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments

The School Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, school generated assets and liabilities, trust assets and liabilities, and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency, or credit risks arising from these financial instruments. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*. With ministerial approval, the School Division has entered into a series of futures contracts for the purchase of natural gas on a pilot project basis for a two-year period. These future contracts are jointly undertaken with the Peace River School Division.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the School Division, or externally, to set aside funds for future operating and capital expenditures. Such reserves are approximations of accumulated surplus.

Surpluses identified from school operations are transferred to reserves subject to the availability of unrestricted net assets, and transferred from reserves when the use of the funds have been identified by the schools. During the year, withdrawals from reserves have been made to adjust unrestricted net assets to Nil. See Note 11 for details on reserve balances.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could vary from those estimates.

The School Division receives revenue from First Nations for tuition and transportation of students. At August 31, 2004, the School Division showed accounts receivable in the amount of \$1,099,400 (2003 - \$861,130) relating to this revenue. The amounts charged to the First Nations is based upon the number of students and average cost of education which are determined by the Division and subsequently approved by the First Nations and Department of Indian and Northern Affairs. Changes related to the average cost of education are negotiated between the parties, and adjusted in the period in which they are determined.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

3. Accounts Receivable

	<u>2004</u>	<u>2003</u>
Province of Alberta	\$ 1,634,149	\$ 1,731,998
Federal Government and/or First Nations	1,099,400	1,030,892
Other	614,720	234,471
Other Alberta School Jurisdictions	<u>10,000</u>	<u>24,389</u>
	<u>\$ 3,358,269</u>	<u>\$ 3,021,750</u>

4. Bank Indebtedness

The School Division has negotiated a line of credit in the amount of \$2,000,000 that bears interest at prime less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004.

5. Accounts Payable and Accrued Liabilities

	<u>2004</u>	<u>2003</u>
Trade and other	\$ 1,858,719	\$ 1,555,875
Province of Alberta	390,279	472,212
Federal Government and/or First Nations	<u>184,698</u>	<u>90,776</u>
	<u>\$ 2,433,696</u>	<u>\$ 2,118,863</u>

6. Deferred Revenue

The following amounts have been deferred and will be recognized as income to match the expenditures as incurred.

	<u>2004</u>	<u>2003</u>
AISI Project	\$ 218,635	\$ 144,473
FNMI School-Community Learning Environment Project	75,000	-
Program Unit Grant	37,042	7,044
Silver Birch	34,388	34,388
Other amounts	4,788	3,428
Modernization Block Funding (formerly BQRP)	<u>(114,170)</u>	<u>99,990</u>
	<u>\$ 255,683</u>	<u>\$ 289,323</u>

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

7. Trust Assets and Trust Liabilities

Student Health Initiative

The Division is the banker board for their geographical area's Student Health Initiative Partnership. As of August 31, 2004, the Division held \$90,176 in trust for this initiative (2003 - \$114,566).

8. Long-term Debt

	<u>2004</u>	<u>2003</u>
Alberta Municipal Finance Corporation debenture debt repayable in annual installments including interest at rates varying between 7.5 and 12.0%. The debentures are fully supported by Alberta Finance. Interest paid on long-term debt during 2004 was \$810,934 (2003 - \$960,810).	\$ 6,557,578	\$ 7,948,410
Less current portion	<u>(1,350,709)</u>	<u>(1,390,831)</u>
	<u>\$ 5,206,869</u>	<u>\$ 6,557,578</u>

Principal repayment requirements are estimated as follows:

2004/2005	1,350,709
2005/2006	1,252,427
2006/2007	1,208,787
2007/2008	793,121
2008/2009	559,880
To maturity	<u>1,392,654</u>
	<u>\$ 6,557,578</u>

The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore the working capital (current assets minus current liabilities) is understated by this amount.

9. Deferred Capital Allocations

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the Division, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

10. Unamortized Capital Allocations

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Since the receipt of the funding does not coincide with the amortization of the cost, the unamortized portion of the grants are recorded as a liability on the statement of financial position.

11. Reserves

	<u>2004</u>	<u>2003</u>
<u>Capital Reserves</u>		
Vehicles	\$ 55,852	\$ 75,345
Buildings	9,933	9,933
Land	2,200	2,200
Equipment	<u>-</u>	<u>93,559</u>
	<u>67,985</u>	<u>181,037</u>
<u>Operating Reserves</u>		
Divisional equipment	56,204	92,547
School operating budgets	-	303,012
School operating - future equipment purchases	<u>-</u>	<u>93,389</u>
	<u>56,204</u>	<u>488,948</u>
Unrestricted Net Assets	<u>-</u>	<u>-</u>
	<u>\$ 124,189</u>	<u>\$ 669,985</u>

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

12. Department of Indian and Northern Affairs School

The School Division operates the Upper Hay River Day School under an agreement with the Department of Indian and Northern Affairs Canada (INAC) and the North Peace Tribal Council. Under the terms of the agreement the School Division is responsible for all instructional costs and custodial salaries and supplies, for which they are reimbursed. These revenues and expenses, which are included in the statement of revenues and expenses as part of External Services, are summarized as follows:

	<u>2004</u>	<u>2003</u>
Revenue		
INAC and North Peace Tribal Council	\$ 1,138,298	\$ 1,196,370
Rental income	12,600	3,600
Transfer from (to) deferred revenue	(88,922)	(31,336)
Allocated for future purchase	<u>(10,000)</u>	<u>(5,000)</u>
	<u>1,051,976</u>	<u>1,163,634</u>
Operating expenditures		
Instructional	828,717	849,389
Custodial supplies and salaries	<u>73,999</u>	<u>69,994</u>
	<u>902,716</u>	<u>919,383</u>
Capital expenditures		
Housing purchase	-	95,313
Supernet technology	<u>58,988</u>	<u>57,000</u>
	<u>58,988</u>	<u>152,313</u>
Administration fee	<u>90,272</u>	<u>91,938</u>
	<u>1,051,976</u>	<u>1,163,634</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ -</u>

13. Budgeted Amounts

The budget was prepared by the School Division and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

14. Economic Dependence on Related Third Party

The School Division's primary sources of revenue are from the Alberta and Federal Governments. The School Division's ability to continue viable operations is dependent upon this funding.

FORT VERMILION SCHOOL DIVISION NO. 52
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2004

15. Comparative Figures

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

On the statement of cash flows, 2003 total uses of cash from investing activities has been increased by \$1,179,653 to recognize that the school division paid holdbacks owing at the previous year-end, and therefore used cash to increase capital assets.

In addition, 2003 total sources of cash from financing activities has been reduced by \$91,352 to recognize that capital allocations in this amount were receivable at year-end, and had not yet been received in cash.

These changes resulted in a reduction in 2003 total uses of cash from operations by \$1,271,005. They had no effect on net uses of cash or cash balances in 2003.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			
						Board Governance	System Administration	Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$18,983,841	\$762,328	\$18,611,615					\$1,288,961	
(2) Support block	\$3,200,020	\$0	\$0		\$1,911,059			\$0	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$355,798	\$0	\$355,798					\$0	\$0
(5) Student Health Initiative (SHI)	\$194,410	\$0	\$194,410					\$0	\$0
(6) Supernet Access	\$89,405	\$0	\$89,405					\$15,568	\$0
(7) Teacher Salary Enhancement (TSE)	\$687,010	\$31,669	\$759,773					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$480,544	\$0	\$480,544	\$0	\$0			\$0	\$0
(10) Other Alberta Learning revenues	\$24,561,128	\$813,895	\$20,331,545	\$0	\$1,911,059			\$1,304,529	\$0
Total Alberta Learning Revenue									
Alberta Infrastructure									
(11) Expensed IMP (BQRP) support & portable relocations	\$432,992			\$432,992					
(12) Operations & Maintenance support	\$2,414,898			\$2,414,898					
(13) Operations & Maintenance support (One-Time)	\$0			\$0					
(14) Total Alberta Infrastructure Revenue	\$2,847,890			\$2,847,890					
(15) Alberta Finance	\$729,001			\$729,001					
(16) Other - Government of Alberta	\$411,436	\$0	\$409,836	\$4,000	\$0			\$0	\$0
(17) Federal Government and/or First Nations	\$3,237,498	\$58,293	\$1,575,157	\$225,144	\$1,077,579			\$1,110,349	\$1,051,976
(18) Other Alberta school authorities	\$140,719	\$0	\$140,719	\$0	\$0			\$0	\$0
(19) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Alberta municipalities	\$54,774	\$0	\$54,384	\$0	\$0			\$0	\$0
(21) Instruction resource fees	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Transportation fees	\$127,005	\$0	\$41,993	\$0	\$78,076			\$8,936	\$0
(23) Other sales and services	\$4,175	\$0	\$3,992	\$0	\$0			\$193	\$0
(24) Investment income	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(25) Gifts and donations	\$313,655	\$0	\$138,566	\$141,284	\$16,808			\$17,139	\$0
(26) Rentals of facilities	\$71,693	\$0	\$71,693	\$0	\$0			\$0	\$0
(27) Net school generated funds	\$5,310	\$0	\$2,810	\$0	\$2,500			\$0	\$0
(28) Gains on disposal of capital assets	\$2,566,173		\$480,409	\$2,085,764	\$0			\$0	\$0
(29) Amortization of capital allocations	\$35,070,275	\$872,288	\$23,447,904	\$6,033,881	\$2,210,080			\$1,448,148	\$1,051,976
(31) TOTAL REVENUES									
EXPENSES									
(32) Certificated salaries	\$15,374,384	\$531,661	\$14,375,702				\$245,262	\$245,262	\$471,759
(33) Certificated benefits	\$1,625,125	\$66,468	\$1,484,308				\$22,512	\$22,512	\$51,837
(34) Uncertificated salaries and wages	\$6,017,892	\$138,832	\$3,281,787	\$1,242,347	\$1,129,828	\$75,637	\$539,272	\$614,859	\$710,209
(35) Uncertificated benefits	\$1,158,775	\$24,213	\$602,375	\$184,580	\$226,546	\$3,408	\$39,058	\$84,464	\$36,597
(36) SUB - TOTAL	\$24,976,146	\$781,174	\$19,694,172	\$1,426,527	\$1,350,374	\$79,043	\$686,054	\$807,097	\$770,402
(37) Services, contracts & supplies	\$6,786,035	\$15,365	\$3,138,794	\$2,048,798	\$694,922	\$145,721	\$532,003	\$877,724	\$191,302
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$213,313	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$71,693	\$0	\$71,693	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$2,566,173	\$0	\$480,409	\$2,085,764	\$0			\$0	\$0
(41) Unsupported	\$1,226,541	\$0	\$326,420	\$394,856	\$340,449	\$0	\$164,816	\$164,816	\$0
(42) Total Amortization	\$3,792,714	\$0	\$806,829	\$2,480,620	\$340,449	\$0	\$164,816	\$164,816	\$0
Interest on capital debt									
(43) Supported	\$729,001	\$0	\$0	\$729,001	\$0			\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(45) Other interest charges	\$11,676	\$0	\$11,676	\$0	\$0			\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(47) TOTAL EXPENSES	\$39,348,165	\$778,569	\$23,936,477	\$6,685,346	\$2,176,632	\$224,764	\$1,494,601	\$1,719,365	\$1,051,976
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	(\$1,277,890)	\$55,719	(\$488,573)	(\$651,465)	\$37,648			(\$271,219)	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$11,620,697	\$1,207,325	\$85,512	\$887,168	\$328,647	\$196,353	\$0	\$14,325,702
Certificated benefits	\$1,158,942	\$150,916	\$7,944	\$109,633	\$42,385	\$14,488	\$0	\$1,484,308
Uncertificated salaries and wages	\$1,003,356	\$990,236	\$25,671	\$13,504	\$1,108,451	\$29,408	\$111,161	\$3,281,787
Uncertificated benefits	\$171,977	\$192,826	\$4,472	\$4,053	\$198,926	\$4,696	\$25,425	\$602,375
SUB - TOTAL REMUNERATION	\$13,954,972	\$2,541,303	\$123,599	\$1,014,358	\$1,678,409	\$244,945	\$136,586	\$19,694,172
Services, contracts & supplies	\$2,355,156	\$485,514	\$22,308	\$5,001	\$102,138	\$110,853	\$57,824	\$3,138,794
Cost recoveries & transfers	\$213,313	\$0	\$0	\$0	\$0	\$0	\$0	\$213,313
Net school generated funds	\$71,693							\$71,693
Amortization of capital assets								
Supported	\$480,409	\$0	\$0	\$0				\$480,409
Unsupported	\$321,133	\$5,287	\$0	\$0				\$326,420
Total Amortization	\$801,542	\$5,287	\$0	\$0				\$806,829
Interest on capital debt								
Supported	\$0	\$0						\$0
Unsupported	\$0	\$0						\$0
Other interest charges	\$11,610	\$66						\$11,676
Losses on disposal of capital assets	\$0							\$0
TOTAL EXPENSES	\$17,408,286	\$3,032,170	\$145,907	\$1,019,359	\$1,780,547	\$355,798	\$194,410	\$23,936,477
FTE Certificated				13.6	5.0			
FTE Uncertificated				0.5	47.2			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	TOTAL REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction	\$12,785,337	\$1,789,506	\$2,861,965	\$0		\$18,977,853	\$17,436,608	(\$1,541,045)
School Admin & Instruction Support Expenses						\$3,032,170		(\$3,032,170)
System Instruction Support Expenses						\$145,907		(\$145,907)
Total Basic Instruction	\$12,785,337	\$1,789,506	\$2,861,965	\$0		\$22,155,930	\$17,436,608	(\$4,719,122)
Sub-Programs & Initiatives								
Severely Disabled	\$969,516	\$63,574	\$0			\$1,780,547	\$1,033,090	(\$747,457)
English as a Second Language	\$167,072					\$0	\$167,072	\$167,072
Enhanced Opportunities	\$21,420					\$0	\$21,420	\$21,420
First Nations, Metis, and Inuit Education	\$155,094		\$0			\$0	\$155,094	\$155,094
Institutional Programs	\$0					\$0	\$0	\$0
Sparsity & Distance	\$4,080,310					\$0	\$4,080,310	\$4,080,310
Growth & Density	\$50,032					\$0	\$50,032	\$50,032
Teacher Assistants Program	\$69,455					\$0	\$69,455	\$69,455
Early Literacy Initiative (K-2)	\$137,506					\$0	\$137,506	\$137,506
Learning Resources Credit & Resources for the Classroom	\$31,215	\$66,850	\$54,394			\$0	\$152,459	\$152,459
Technology Integration	\$128,656		\$0			\$0	\$128,656	\$128,656
French Language Program & Francisation (all jurisdictions)	\$16,002		\$0			\$0	\$16,002	\$16,002
Home Education	\$0		\$0			\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$5,826,278		\$54,394			\$1,780,547	\$6,011,096	\$4,230,549
INSTRUCTION, GRADES 1-12	\$18,611,615	\$1,919,930	\$2,916,359	\$0		\$23,936,477	\$23,936,477	(\$489,573)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$19,265,285
Support Block - Transportation		\$1,911,059
SUBTOTAL		\$21,176,344
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$2,414,896
Teacher Salary Enhancement		\$847,010
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$411,436
Federal government/First Nations		\$3,237,498
Other Alberta school authorities		\$140,719
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$127,005
Interest on investments		\$4,175
Rentals of facilities		\$313,855
Gains on disposal of capital assets		\$5,310
Amortization of capital allocations		\$2,566,173
School generated funds (Schedule E)		\$715,553
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$31,959,974
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.46%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$1,745,302
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$1,745,302
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,719,365
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$0
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$1,719,365
Maximum Expense Limit for Board & System Administration (Step 3)		\$1,745,302
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$25,937

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$274,837
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$715,553	
Less: SGF - related cost recoveries (Note 3)	\$659,602	
- capitalized at the District level (Note 4)	\$4,895	
Net Total	\$51,056	
Plus: Donations Received (Note 5)	\$33,993	
Equals: Net Additions to SGF		\$85,049
Net SGF Available for discretionary spending		\$359,886
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$71,693
Unexpended SGF - Closing Balance August 31, 2004		\$288,193
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$946,455	\$171,799	\$0	\$20,547	\$103,546	\$1,242,347		\$1,242,347
Uncertificated benefits	\$144,604	\$27,222	\$0	\$0	\$12,754	\$184,580		\$184,580
Sub-total Remuneration	\$1,091,059	\$199,021	\$0	\$20,547	\$116,300	\$1,426,927		\$1,426,927
Contracted Services	\$21,935	\$222,394	\$0	\$413,434	\$2,047	\$659,810		\$659,810
Supplies	\$123,136	\$120,402	\$0	\$0	\$4,056	\$247,594		\$247,594
Electricity			\$564,879			\$564,879		\$564,879
Natural Gas/Heating Fuel			\$377,394			\$377,394		\$377,394
Sewer and Water			\$111,177			\$111,177		\$111,177
Telecommunications			\$14,053			\$14,053		\$14,053
Insurance					\$73,891	\$73,891		\$73,891
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$2,085,764	\$2,085,764
Unsupported						\$394,856		\$394,856
Total Amortization						\$394,856	\$2,085,764	\$2,480,620
Interest on capital debt								
Supported							\$729,001	\$729,001
Unsupported								\$0
Other interest charges								\$0
Losses on disposal of capital assets								\$0
Cost recoveries & transfers								\$0
TOTAL EXPENSES	\$1,236,130	\$541,817	\$1,067,503	\$433,981	\$196,294	\$3,670,581	\$2,814,765	\$6,485,346
SQUARE METRES								
School Buildings								48,096.9
Non School Buildings								3,542.3
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						
Contracted Services	0.0	0.0						

Notes: All expenses related to activities undertaken to keep the school environment clean and safe

Custodial: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Maintenance: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

Utilities & Telecommunications: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

Expensed IMP & Portable Relocations: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Facility Planning & Operations Maintenance: All expenses related to supported capital assets amortization and interest on supported capital debt.

Supported Capital & Debt Services:

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name: Steer, David A.	0.7	\$9,017	\$449	\$0	\$0		\$9,466	\$7,443
Name: Lambert, Keith	0.3	\$5,491	\$205	\$0	\$0		\$5,696	\$3,080
Other Board Members:								
Name: Blat, Alison	1.0	\$7,259	\$247	\$0	\$0		\$7,506	\$6,754
Name: Omrod, Grace	1.0	\$9,926	\$402	\$0	\$0		\$10,328	\$11,715
Name: Hoffman, Tom	1.0	\$4,941	\$113	\$0	\$0		\$5,054	\$2,502
Name: Lambert, Keith	0.7	\$6,053	\$479	\$0	\$0		\$6,532	\$7,186
Name: Neudorf, Lena	1.0	\$9,982	\$538	\$0	\$0		\$10,520	\$5,894
Name: Schroeder, Vladimir	1.0	\$13,940	\$687	\$0	\$0		\$14,627	\$9,187
Name: Wiebe, Bernard	1.0	\$7,028	\$266	\$0	\$0		\$7,294	\$4,017
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	7.7	\$75,637	\$3,406	\$0	\$0		\$79,043	\$57,780
Superintendent: Drozko, Kenneth	1.0	\$137,878	\$6,114	\$5,000	\$0	\$0	\$148,992	\$67,675
Superintendent:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer: Horvath, Russell	0.9	\$105,609	\$15,840	\$4,583	\$0	\$0	\$126,032	\$14,852
Secretary/Treasurer: Perry, Jeff	0.2	\$14,167	\$2,859	\$0	\$0	\$0	\$17,026	\$10,925
Board Secretary:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries:	232.0	\$15,436,506	\$1,614,011	\$0	\$0	\$0	\$17,050,517	
Uncertificated Salaries & Wages:	120.0	\$6,422,449	\$1,132,087	\$0	\$0	\$0	\$7,554,536	
TOTALS		\$22,192,246	\$2,774,317	\$9,583	\$0	\$0	\$24,976,146	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

Russell Horvath left the position of Secretary-Treasurer on July 31, 2004. As his FTE was 0.9, Jeff Perry started in the position of Secretary-Treasurer on July 1, 2004, so his FTE was 0.2. As the two individuals held the position together for one month, the total FTE exceeds 1.

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Golden Hills School Division No. 75

Legal Name of School Jurisdiction

435A Highway #1, Strathmore, AB T1P 1J4

Mailing Address

Telephone (403) 934-5121 Facsimile (403) 934-5125

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules (Golden Hills School Division No. 75)

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

W. Golbeck

Name

Signature

SUPERINTENDENT

D. McBeth

Name

Signature

SECRETARY TREASURER OR TREASURER

V. Gaudet

Name

Signature

Feb 8/2005

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-8996



MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees
Golden Hills School Division No. 75

We have audited the statement of financial position of the Golden Hills School Division No. 75 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School Jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

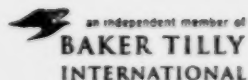
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Jurisdiction as at August 31, 2004 and the results of its operations, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Drumheller, Alberta
January 10, 2005

Meyers Norris Penny LLP
Chartered Accountants



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
P.O. BOX 789, 365 - 2ND ST. E., DRUMHELLER, AB T0J 0Y0
1-877-932-3387 PH. (403) 823-7800 FAX (403) 823-8914 www.mnp.ca

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$36,514	\$634,244
Accounts receivable (net after allowances)		\$3,838,736	\$2,156,488
Prepaid expenses		\$618,676	\$370,936
Other current assets		\$102,509	\$143,586
Total current assets:		\$4,596,435	\$3,305,254
School generated assets			
		\$720,963	\$672,910
Trust assets			
Long term accounts receivable		\$447,638	\$382,145
Long term investments			
Capital assets			
Land		\$677,202	\$677,202
Buildings	\$66,043,073		
Less: accumulated amortization	(\$28,157,374)	\$37,885,699	\$39,831,948
Equipment	\$2,940,836		
Less: accumulated amortization	(\$1,281,965)	\$1,658,871	\$1,674,800
Vehicles	\$3,645,567		
Less: accumulated amortization	(\$2,306,721)	\$1,338,846	\$1,160,739
Total capital assets		\$41,560,618	\$43,344,689
TOTAL ASSETS		\$47,325,654	\$47,704,998
LIABILITIES			
Current liabilities			
Bank indebtedness		\$1,447,014	
Accounts payable and accrued liabilities		\$2,554,016	\$1,532,752
Deferred revenue		\$539,749	\$456,159
Deferred capital allocations		\$322,723	\$484,983
Current portion of all long term debt		\$890,687	\$1,067,033
Total current liabilities		\$5,754,189	\$3,540,927
School generated liabilities			
		\$720,963	\$672,910
Trust liabilities			
		\$447,638	\$382,145
Employee future benefits liability			
Long term debt			
Supported: Debentures and other supported debt		\$5,047,084	\$6,009,166
Less: Current portion of supported debt		(\$838,874)	(\$962,081)
Unsupported: Debentures and Capital Loans		\$1,008,000	\$1,056,000
Capital Leases		\$3,813	\$60,764
Mortgages			
Less: Current portion of unsupported debt		(\$51,813)	(\$104,952)
Unamortized capital allocations		\$31,591,253	\$32,711,775
Total long term liabilities		\$37,928,064	\$39,825,727
TOTAL LIABILITIES		\$43,682,253	\$43,366,654
NET ASSETS			
Unrestricted net assets		(\$212,930)	\$517,606
Operating Reserves			\$244,313
Accumulated Operating Surplus (Deficit)		(\$212,930)	\$761,919
Investment in capital assets		\$3,808,644	\$3,506,987
Capital Reserves		\$47,687	\$69,438
Total Capital Funds		\$3,856,331	\$3,576,425
Total net assets		\$3,643,401	\$4,338,344
TOTAL LIABILITIES AND NET ASSETS		\$47,325,654	\$47,704,998

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$39,322,154	\$39,680,380	\$38,696,722
Alberta Infrastructure	\$4,180,370	\$4,239,947	\$4,222,254
Alberta Finance	\$526,553	\$565,082	\$623,537
Other Government of Alberta	\$259,377	\$160,000	\$205,182
Federal Government and/or First Nations	\$1,710,265	\$1,564,010	\$1,642,363
Other Alberta school authorities			\$13,621
Out of province authorities			
Alberta Municipalities	\$115,633	\$47,000	\$45,267
Instruction resource fees	\$570,088	\$420,427	\$530,568
Transportation fees			
Other sales and services	\$338,176	\$195,000	\$412,275
Investment income	\$40,386	\$78,700	\$98,141
Gifts and donations	\$1,698		\$966
Rentals of facilities	\$88,235	\$67,930	\$73,423
Net school generated funds	\$1,853,873	\$982,386	\$2,284,986
Gains on disposal of capital assets	\$7,953		
Amortization of capital allocations	\$2,513,882	\$2,042,129	\$2,075,628
Total Revenues	\$51,528,643	\$50,042,991	\$50,924,933
EXPENSES			
Certificated salaries	\$25,081,137	\$24,441,913	\$24,522,567
Certificated benefits	\$2,794,318	\$2,732,606	\$2,768,277
Uncertificated salaries and wages	\$8,167,842	\$8,481,121	\$8,289,829
Uncertificated benefits	\$1,942,933	\$1,738,630	\$1,833,678
Services, contracts and supplies	\$8,944,198	\$8,587,725	\$8,007,505
Net school generated funds	\$1,853,873	\$982,386	\$2,284,986
Capital and debt services			
Amortization of capital assets			
Supported	\$2,513,882	\$2,042,129	\$2,075,628
Unsupported	\$383,659	\$403,146	\$443,801
Total Amortization of capital assets	\$2,897,541	\$2,445,275	\$2,519,429
Interest on capital debt			
Supported	\$534,442	\$563,582	\$623,537
Unsupported	\$65,750	\$63,250	\$68,750
Total Interest on capital debt	\$600,192	\$626,832	\$692,287
Other interest charges	\$11,681		\$827
Losses on disposal of capital assets			
Total Expenses	\$52,293,715	\$50,036,488	\$50,919,385
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$765,072)	\$6,503	\$5,548
Unrestricted revenues used for capital purposes	\$70,129	\$4,000	\$766,237
Extraordinary Item			
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$694,943)	\$10,503	\$771,785

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$694,943)	\$771,785
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$2,513,882)	(\$2,075,628)
Total amortization expense	\$2,897,541	\$2,519,429
Gains on disposal of capital assets	(\$7,953)	
Losses on sale of capital assets		
Changes in accrued accounts:		
Accounts receivable	(\$1,682,248)	\$213,031
Prepays and other current assets	(\$206,663)	\$238,073
Long term accounts receivable		
Long term investments		
Payables and accrued liabilities	\$1,021,264	(\$2,067,361)
Deferred revenue	\$83,590	(\$616,857)
Employee future benefits		
Other (describe)		
Total sources (uses) of cash from Operations	(\$1,103,294)	(\$1,017,528)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land		
Buildings	(\$462,334)	(\$4,883,582)
Equipment	(\$255,150)	(\$265,867)
Vehicles	(\$395,986)	(\$144,896)
Net proceeds from disposal of capital assets	\$7,953	
Other (describe)		
Total sources (uses) of cash from Investing activities	(\$1,105,517)	(\$5,294,345)
C. FINANCING ACTIVITIES		
Capital allocations received	\$269,019	\$1,429,673
Issue of long term debt		
Repayment of long term debt	(\$1,067,033)	(\$1,091,321)
Add back: supported portion	\$962,081	\$974,081
Other (describe)		
Total sources (uses) from Financing activities	\$164,067	\$1,312,433
Net sources (uses) of cash equivalents* during year	(\$2,044,744)	(\$4,999,440)
Cash Equivalents at the beginning of the year	\$634,244	\$5,633,684
Cash Equivalents at the end of the year	(\$1,410,500)	\$634,244

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Column 2-3-4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Column 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)								(13) (13)	(14) (14)
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Transportation			
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves		
Balance at August 31, 2003	\$4,338,344	\$3,506,887	\$517,606	\$313,751	\$244,313	\$22,750		\$46,688						
Prior period adjustments (describe)														
Adjusted Balance, Aug 31, 2003	\$4,338,344	\$3,506,887	\$517,606	\$313,751	\$244,313	\$22,750		\$46,688						
Surplus(def) of revenue over expenses	(\$604,943)		(\$604,943)											
Board funded capital transactions		\$560,364	(\$257,614)	(\$22,750)		(\$22,750)								
Donations of non-amortizable assets														
Amortization of capital assets		(\$2,897,541)	\$2,897,541											
Amortization of capital allocations		\$2,513,882	(\$2,513,882)											
Disposal of unsupported capital assets			(\$999)	\$999				\$999						
Disposal of supported capital assets-unsupported portion														
Gross principal payments (unsupported)		\$104,952	(\$104,952)											
Net transfers to operating reserves														
Net transfers from operating reserves			\$244,313	(\$244,313)	(\$244,313)									
Net transfers to capital reserves														
Net transfers from capital reserves														
Balance at August 31, 2004	\$3,843,401	\$3,808,644	(\$212,930)	\$47,687								\$47,687		

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$484,983	\$32,711,775
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$234,603	
Other Government of Alberta		
Federal Government and/or First Nations	\$1,000	
Other sources	\$27,096	
Interest earned on provincial government capital allocations	\$6,320	
Other capital grants and donations		
Proceeds on disposal of supported capital assets		
Insurance proceeds		
Donated capital assets (depreciable, at Fair Market Value)		
Transferred in capital assets (depreciable)		
Current Year Debenture Principal Repayment		\$962,081
Expended capital allocations - current year	(\$431,279)	\$431,279
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		
Capital allocations amortized to revenue		\$2,513,882
Balance at August 31, 2004	\$322,723	\$31,591,253

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.



1) AUTHORITY AND PURPOSE

Golden Hills School Division #75 delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The Jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent upon future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Measurement Uncertainty

The Jurisdiction identifies all assets and liabilities at their historical cost or value; with allowances for impairment recognized at the time the impairment can be reasonably estimable. Any difference between the estimated and the actual amount of the impairment is recognized at the time of final resolution.

b) Revenue recognition

Revenue is recognized as follows:

- Instruction and support allocations are recognized in the year to which they relate.
- Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- Unrestricted contributions are recognized as revenue when received and receivable.
- Contributions in-kind are recorded at fair market value when reasonably determinable.
- Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

c) Cash and Cash Equivalents

The Jurisdiction recognizes funds held as cash, cash on deposit or short-term investments at their carrying value as cash or cash equivalents. In the event that a short term investment's value has declined; they are carried at their market value.

The Jurisdiction has invested surplus funds in accordance with Section 44 of the School Act and Section 5 of the Trustees' Act.

d) Capital assets

Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings and major modernization	2.5% to 4%
Minor modernization	10%
Vehicles and buses	10% to 20%
Equipment and furnishings	10% to 20%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. Assets are amortized in the years following acquisition.



e) School generated funds

These are funds in the community that come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

f) Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

g) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year. The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Jurisdiction does not make pension contributions for certificated staff.

The Jurisdiction participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$416,359 for the year ended August 31, 2004 (2003 - \$340,509).

h) Inventories

Inventories are recorded at the lesser of cost or net realizable value using the first-in, first-out method.

i) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses also fall into this category.

j) Contributed services

Volunteers contribute a considerable number of hours per year to various schools that are within the Jurisdiction to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

k) Investments

Investments are recorded at the lower of cost and market value.

l) Financial instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. These financial instruments may be exposed to the following risks:

1. Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Jurisdiction manages exposure through its normal operating and financing activities. The Jurisdiction is exposed to interest rate risk primarily through its operating line of credit. As at August 31, 2004, the fair market value of the Jurisdiction's outstanding bank indebtedness approximates its carrying value due to the debt's short-term maturities and variable interest rates. A 1% change in interest rates could increase or decrease interest expenses by approximately \$ 3,115.00 on an annual basis.

GOLDEN HILLS SCHOOL DIVISION NO. 75
Notes to the Financial Statements
Year Ended August 31, 2004



2. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Jurisdiction from time to time carries on transactions requiring payment in a foreign currency. The Jurisdiction believes that there is no unusual exposure associated with these transactions.

3. Credit Concentration Risk

Accounts receivable from two parties represent 78% (2003 - 92%) of total accounts receivable as at August 31, 2004. The Jurisdiction believes that there is no unusual exposure associated with the collection of these receivables.

Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Jurisdiction has invested surplus funds in accordance with Section 44 of the *School Act* and Section 5 of the *Trustees' Act*.

m) Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the Jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3) COLLECTIVE AGREEMENTS

The Jurisdiction currently has collective agreements with the Canadian Union of Public Employees Local 2347 and the Canadian Union of Public Employees Local 1184 which expire August 31, 2005.

The Jurisdiction, on December 8th, 2004 reached a memorandum of agreement with the Alberta Teachers Association, retroactive to September 1, 2003 and expiring on August 31, 2005. This was subsequently ratified by both the Jurisdiction and the Association.

4) ACCOUNTS RECEIVABLE

Province of Alberta	\$	2,409,836	\$	1,503,517
Federal Government		254,850		383,954
Alberta Municipalities		9,520		12,103
Other		1,164,530		256,914
Total	\$	3,838,736	\$	2,156,488

5) BANK INDEBTEDNESS

The Jurisdiction has negotiated a line of credit in the amount of \$ 3,500,000 that bears interest at the bank prime rate less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the Jurisdiction. The balance outstanding on the line of credit at August 31, 2004 was \$ 1,447,014 (2003 - \$nil).

The total amount paid in interest for the year ending August 31, 2004 was \$ 11,516 (2003 - \$ 779)

GOLDEN HILLS SCHOOL DIVISION NO. 75
Notes to the Financial Statements
Year Ended August 31, 2004



6) CAPITAL ASSETS

Land	\$ 677,202	\$ -	\$ 677,202	\$ 677,202
Buildings	66,043,073	28,157,374	37,885,699	39,831,948
Vehicles	3,645,567	2,306,721	1,338,846	1,160,739
Equipment	2,940,836	1,281,965	1,658,871	1,674,800
Total	\$ 73,306,678	\$ 31,746,060	\$ 41,560,618	\$ 43,344,689

The Jurisdiction accepted an offer to purchase the East End Elementary School and property in Drumheller for \$ 98,000 less expenses, subsequent to August 31, 2004.

7) ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Province of Alberta	\$ 215,839	\$ 240,135
Federal Government	34,268	4,211
Other Alberta School Jurisdictions	12,303	5,972
Other trade payables and accrued liabilities	2,291,606	1,282,734
Total	\$ 2,554,016	\$ 1,532,752

8) DEFERRED REVENUE

Infrastructure Maintenance Program (IMP)	\$ -	\$ 222,989
Alberta Initiative for School Improvement (AISi)	199,154	194,535
Other	340,595	38,635
Total	\$ 539,749	\$ 456,159

The Infrastructure Maintenance Program was formally known as the Building Quality Restoration Program (BQRP.)

Other Deferred revenue includes \$ 337,142.49 in funds advanced as tuition and boarding revenue for foreign students. The Jurisdiction began in April, 2004 to actively recruit students to the Jurisdiction who would attend school starting September, 2004.

GOLDEN HILLS SCHOOL DIVISION NO. 75
Notes to the Financial Statements
Year Ended August 31, 2004



9) TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the Jurisdiction for the following areas:

Project Hope Trust	\$ 13,964	\$ 17,662
Project Hope Bolinger	5,751	5,751
H.A. Brown Scholarship	5,742	5,741
McElroy Trust	3,205	3,011
Tro-Hills	4,982	4,944
Dougan Scholarship	1,178	1,151
Thompson Scholarship	77,911	87,895
Snyder Memorial Scholarship	4,774	4,960
Tullikopf Scholarship	1,841	1,653
Maynihan Scholarship	4,585	-
Acme ECS	6,027	5,894
Carbon ECS	4,150	4,058
Carseland ECS	3,385	3,310
Gleichen ECS	7,865	7,690
Hussar ECS	22,107	21,616
Rockyford ECS	7,871	7,696
Standard ECS	14,064	11,575
Strathmore ECS	1,429	1,397
Student Health Initiative Program (SHIP)	256,807	186,141
Total	\$ 447,638	\$ 382,145

10) LONG TERM DEBT

a) Debenture Debt – Supported and Unsupported

The Jurisdiction has issued debentures to the Alberta Capital Finance Authority (formerly Alberta Municipal Finance Corporation) to finance construction of school buildings and the purchase of the administration building. The debt maturity dates range from 2003 to 2025 and bear annual interest at rates from 6.25% to 12.00%. The amount of interest expense on long-term debt for the year was \$ 600,192 (2003 - \$ 692,287.)

Supported debenture debt	\$ 5,047,084	\$ 6,009,166
Unsupported debenture debt	1,008,000	1,056,000
	6,055,084	7,065,166
Less current portion due on debenture debt	886,874	1,010,081
Balance	\$ 5,168,210	\$ 6,055,085

Principal payments required in the next five fiscal years and beyond are as follows:

2005	\$ 886,874
2006	718,470
2007	621,627
2008	593,425
2009	593,425
2010 to Maturity	2,641,263
Total	\$ 6,055,084

The Jurisdiction received approval for an unsupported debenture in the amount of \$ 1,622,853 for the renovation of dormitories in Drumheller. Expenditures of \$ 101,827 were made towards this project as of

GOLDEN HILLS SCHOOL DIVISION No. 75
Notes to the Financial Statements
Year Ended August 31, 2004



August 31, 2004, while the proceeds of the debenture were received subsequent to this date. As a result, the investment in capital assets will be increased in 2004 – 2005 as the principal payments on the unsupported debenture are made.

b) Capital Leases – Unsupported

The obligations under capital leases, which mature at various terms to November, 2004, represent the total present value of future minimum lease payments based on financing contracts with the Bank of Nova Scotia, which vary in rates from 7.96% to 11.31%. These leases arise to facilitate the financing of the Light Switch programs at the various schools within the Jurisdiction. These leases are unsecured.

The following is a schedule by years of the future minimum lease payments together with the balance of the obligation under capital leases as at August 31, 2004:

	2005	\$	3,856		2004	\$	59,282
					2005		3,856
Total minimum lease payments		\$	3,856			\$	63,138
Less amount representing interest			43				2,374
			3,813			\$	60,764
Less current portion due on leases			3,813				56,952
Long term portion of capital leases		\$	-			\$	3,812

11) DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account. Details of the changes in the deferred capital allocations account are as follows:

Balance, beginning of year	\$	484,983	\$	3,840,431
Allocations received and receivable during the year		269,019		1,429,673
Less: Transfers to unamortized capital allocations (note 12)		431,279		4,785,121
Balance, end of year	\$	322,723	\$	484,983

12) UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations (UCA) represents the Jurisdiction's net investment in capital assets (other than land and equipment) purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

Balance, beginning of year	\$	32,711,775	\$	29,028,201
Donated capital items				
Additions: supported debenture principal repayments		962,081		974,081
Transfer from deferred capital allocations (note 11)		431,279		4,785,121
Less: capital allocation revenue		2,513,882		2,075,628
Balance, end of year	\$	31,591,253	\$	32,711,775



13) SCHOOL GENERATED FUNDS

Balance, beginning of year	\$	672,910	\$	573,248
Source of School Generated Funds (SGF):				
SGF for the year		2,358,945		2,792,861
Less: costs of generating SGF		492,919		503,530
Donations received		35,900		95,317
Net SGF available for the year	\$	2,574,836	\$	2,957,896
Application of net SGF				
Less: net SGF expended in the year		1,853,873		2,284,986
Balance, end of year	\$	720,963	\$	672,910

14) CONTINGENCY

Contingent Asset

The Jurisdiction is a member of a reciprocal insurance exchange called Alberta School Boards' Insurance Exchange (ASBIE). A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the Jurisdiction can liquidate.

15) COMMITMENTS

a) Capital Projects

The Jurisdiction has committed to further capital expenditures for the modernization of Three Hills School of approximately \$30,788 and the movement of portable units throughout the Jurisdiction of approximately \$126,280. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

The Jurisdiction entered into a number of agreements for repairs to Three Hills School after August 31, 2004. The repairs were necessary as a result of work performed during the modernization project. The total value of the repair costs is estimated to be \$ 1,674,487. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

The Jurisdiction entered into an agreement for modernization of the dormitory at Drumheller Composite High School after August 31, 2004. The value of this contract is \$ 1,372,000 and is to be funded by a debenture issued by Alberta Capital Finance Authority. The debenture is unsupported by the Province of Alberta.

b) Lease

In September, 2004, the Jurisdiction entered into a lease agreement with Prairie Bible Institute for space in their buildings when the Jurisdiction assumed operations of the ECS to Grade 12 programs. The total commitment under this lease is estimated to be \$ 335,640. This lease is subject to approval by the Province of Alberta, and would expire August 31, 2005. It is anticipated that this lease will be fully funding by grants from Alberta Infrastructure.

c) Boarding

The Jurisdiction, through their International services, has commitments for boarding foreign students. The funds are advanced by the student, and the Jurisdiction is using a variety of methods for boarding them.

16) BUDGET AMOUNTS

The budget was prepared by the Jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.



17) ECONOMIC DEPENDENCE

The Jurisdiction's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

18) COMPARATIVE FIGURES

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to Actual 2004 presentation.

19) FUNDS UNDER ADMINISTRATION

The Jurisdiction acts as administrator for numerous trust accounts and projects. These assets are owned by the various organizations and the Jurisdiction simply provides administration services to some of the projects. As a result, these assets and liabilities are not recorded in these financial statements. The Jurisdiction is a member of the South Central Alberta Resource Centre (SCARC) organization to which services are provided.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin.	
Alberta Learning allocations									
(1) Instruction block	\$31,036,868	\$1,280,346	\$29,741,510		\$3,219,586			\$1,508,082	\$290,481
(2) Support block	\$4,778,648								
(3) Instruction & support block reallocations									
(4) Alberta Initiative for School Improvement (AISi)	\$778,140		(\$250,481)						
(5) Student Health Initiative (SHI)	\$439,750		\$778,140						
(6) SuperNet Access	\$1,390,000		\$439,750						
(7) Teacher Salary Enhancement (TSE)			\$1,390,000						
(8) Regional P.D. Consortium (6 boards only)									
(9) Regional Assessment Services (4 boards only)									
(10) Other Alberta Learning revenues	\$948,610		\$948,610						
(11) Total Alberta Learning Revenue	\$39,322,154	\$1,280,346	\$33,087,679		\$3,219,586			\$1,508,082	\$290,481
Alberta Infrastructure									
(12) Expensed IMP (BOP) support & portable relocations	\$491,339		\$491,339						
(13) Operations & Maintenance support	\$3,668,031		\$3,668,031						
(14) Operations & Maintenance support (One-Time)									
(15) Total Alberta Infrastructure Revenue	\$4,159,370		\$4,159,370						
(16) Alberta Finance	\$878,553		\$878,553						
(17) Other - Government of Alberta	\$258,377		\$258,377						
(18) Federal Government and/or First Nations	\$1,710,265	\$22,010	\$1,663,255						
(19) Other Alberta school authorities									
(20) Out of province authorities									
(21) Alberta municipalities	\$115,633		\$115,633						
(22) Instruction resource fees	\$670,098	\$33,857	\$636,241						
(23) Transportation fees	\$238,176		\$238,176						
(24) Other sales and services	\$403,380		\$403,380						
(25) Investment income	\$11,848		\$11,848						
(26) Gifts and donations	\$68,278		\$68,278						
(27) Rentals of facilities	\$1,853,873		\$1,853,873						
(28) Net school generated funds	\$7,863		\$7,863						
(29) Gains on disposal of capital assets									
(30) Amortization of capital allocations	\$3,513,883		\$3,513,883						
(31) TOTAL REVENUES	\$61,528,643	\$1,341,313	\$37,408,887		\$3,227,766			\$1,834,820	\$778,140
EXPENSES									
(32) Certificated salaries	\$25,081,137	\$880,436	\$24,019,188					\$345,078	\$51,454
(33) Certificated benefits	\$2,794,318	\$94,104	\$2,681,608					\$33,380	\$5,348
(34) Uncertificated salaries and wages	\$4,187,842	\$318,088	\$4,221,686					\$597,332	\$417,885
(35) Uncertificated benefits	\$1,942,933	\$85,680	\$1,102,679					\$118,313	\$82,715
(36) SUB - TOTAL	\$37,986,280	\$1,373,310	\$35,055,340					\$1,093,791	\$698,402
(37) Services, contracts & supplies	\$8,844,188	\$128,227	\$3,122,000					\$85,048	\$388,144
(38) Cost recoveries & transfers (must balance to zero)								\$451,817	\$515,573
(39) Net school generated funds	\$1,853,873		\$1,853,873						
Capital and debt services									
Amortization of capital assets									
Supported	\$2,513,882		\$160,141						
(40) Unsupported	\$383,058		\$403,380					\$72,342	\$72,342
(41) Total Amortization	\$2,897,541		\$2,463,461					\$72,342	\$72,342
Interest on capital debt									
(42) Supported	\$534,442		\$534,442						
(43) Unsupported	\$85,750		\$85,750					\$65,750	\$65,750
(44) Other interest charges	\$11,681		\$7,417					\$574	\$1,124
(45) Losses on disposal of capital assets									
(46) TOTAL EXPENSES	\$52,293,715	\$1,362,740	\$37,238,486					\$1,684,264	\$955,882
(47) Surplus/deficit before unrestricted revenues used for capital purposes	(\$965,072)	\$39,567	\$1,701,181					(\$198,120)	(\$178,720)

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

INSTRUCTION (Grades 1 to 12)

EXPENSES	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	Total Instruction (Grades 1 to 12)
Certificated salaries	\$20,979,167	\$1,577,470	\$889,315	\$62,361	\$57,867	\$365,889	\$87,100	\$24,019,169
Certificated benefits	\$2,357,194	\$148,800	\$93,603	\$6,765	\$7,656	\$37,506	\$10,282	\$2,661,806
Uncertificated salaries and wages	\$1,377,536	\$1,190,757		\$196,542	\$1,029,318	\$198,085	\$239,448	\$4,221,686
Uncertificated benefits	\$337,667	\$309,441		\$50,754	\$302,070	\$57,087	\$45,660	\$1,102,679
SUB - TOTAL REMUNERATION	\$25,051,564	\$3,226,468	\$982,918	\$306,472	\$1,396,911	\$658,567	\$382,490	\$32,005,340
Services, contracts & supplies	\$1,781,081	\$478,369	\$649,670	\$2,000		\$119,573	\$59,560	\$3,122,009
Cost recoveries & transfers	\$10,361							\$10,361
Net school generated funds	\$1,853,873							\$1,853,873
Amortization of capital assets								
Supported								
Unsuported	\$160,141							\$160,141
Total Amortization	\$80,345							\$80,345
Interest on capital debt	\$240,486							\$240,486
Supported								
Unsuported								
Other interest charges		\$7,417						
Losses on disposal of capital assets								
TOTAL EXPENSES	\$28,937,365	\$3,712,254	\$1,632,588	\$308,422	\$1,426,667	\$778,140	\$442,050	\$37,239,486
FTE Certificated				1.0	0.9			
FTE Uncertificated				7.3	60.7			

SCHEDULE C to the AFS

INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	AB LEARNING BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction	\$26,006,916	\$3,286,241	\$3,815,857	(\$250,481)	\$32,858,533	\$28,676,690	\$4,181,843
School Admin & Instruction Support Expenses						\$3,712,254	(\$3,712,254)
System Instruction Support Expenses						\$1,632,588	(\$1,632,588)
Total Basic Instruction	\$26,006,916	\$3,286,241	\$3,815,857	(\$250,481)	\$32,858,533	\$34,021,532	(\$1,162,999)
Sub-Programs & Initiatives							
Severely Disabled	\$1,858,071	\$129,156			\$1,987,227	\$1,428,667	\$558,560
English as a Second Language	\$336,352				\$336,352	\$321,422	\$14,930
Enhanced Opportunities							
First Nations, Metis, and Inuit Education	\$52,149				\$52,149	\$115,954	(\$63,805)
Institutional Programs	\$675,804				\$675,804		\$675,804
Sparsity & Distance	\$173,477				\$173,477		\$173,477
Growth & Density	\$111,850				\$111,850	\$111,850	
Teacher Assistants Program	\$203,578				\$203,578	\$226,432	(\$22,854)
Early Literacy Initiative (K-2)	\$50,528	\$151,293	\$536,131		\$737,912	\$737,912	
Learning Resources Credit & Resources for the Classroom	\$265,364				\$265,364	\$268,810	(\$3,446)
Technology Integration	\$6,278				\$6,278	\$6,278	
French Language Program & Francisation (all jurisdictions)	\$1,143				\$1,143	\$629	\$514
Home Education	\$3,734,594		\$536,131		\$4,551,134	\$3,217,954	\$1,333,180
Total Sub-Programs & Initiatives	\$29,741,510	\$3,566,650	\$4,351,988	(\$250,481)	\$37,409,667	\$37,239,486	\$170,181

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$30,761,492
Support Block - Transportation	\$3,219,586
SUBTOTAL	\$33,981,078
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,689,031
Teacher Salary Enhancement	\$1,399,000
Other Alberta Learning revenues (Describe)	
Other - Government of Alberta (Excluding Alberta Finance)	\$259,377
Federal government/First Nations	\$1,710,265
Other Alberta school authorities	
Out of province local authorities	
Alberta municipalities	\$115,633
Other sales and services	\$338,176
Interest on investments	\$40,386
Rentals of facilities	\$88,235
Gains on disposal of capital assets	\$7,953
Amortization of capital allocations	\$2,513,882
School generated funds (Schedule E)	\$2,358,945
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$46,501,961
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1-12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,860,078
Considerations for Charter Schools and Small Boards:	
If Charter School, enter \$1,000	
If Francophone Board, enter 400,000	
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,860,078
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,833,068
PLUS: transfers to Restricted - Operating (Board/System Administration)	
LESS: transfers from Restricted - Operating (Board/System Administration)	
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,833,068
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,860,078
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$27,010

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$672,910
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$2,358,945	
Less: SGF - related cost recoveries (Note 3)	\$492,919	
- capitalized at the District level (Note 4)		
Net Total	\$1,866,026	
Plus: Donations Received (Note 5)	\$35,900	
Equals: Net Additions to SGF		\$1,901,926
Net SGF Available for discretionary spending		\$2,574,836
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$1,853,873
Unexpended SGF - Closing Balance August 31, 2004		\$720,963

Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap.

Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries.

Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.

Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.

Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,176,034	\$494,017		\$20,018	\$119,196	\$1,809,265		\$1,809,265
Uncertificated benefits	\$288,053	\$114,994		\$3,403	\$25,022	\$431,472		\$431,472
Sub-total Remuneration	\$1,464,087	\$609,011		\$23,421	\$144,218	\$2,240,737		\$2,240,737
Contracted Services	\$24,582	\$148,571		\$423,795	\$84,376	\$681,324		\$681,324
Supplies	\$161,264	\$240,474		\$4,281	\$4,392	\$410,411		\$410,411
Electricity			\$610,836			\$610,836		\$610,836
Natural Gas/Heating Fuel			\$528,336			\$528,336		\$528,336
Sewer and Water			\$172,933			\$172,933		\$172,933
Telecommunications			\$45,846			\$45,846		\$45,846
Insurance					\$132,378	\$132,378		\$132,378
Net school generated funds								
Amortization of capital assets								
Supported							\$2,353,741	\$2,353,741
Unsuported								
Total Amortization							\$22,576	\$22,576
Interest on capital debt							\$2,376,317	\$2,376,317
Supported								
Unsuported							\$534,442	\$534,442
Other interest charges								
Losses on disposal of capital assets							\$1,789	\$1,789
Cost recoveries & transfers								
TOTAL EXPENSES	\$1,649,933	\$998,056	\$1,357,951	\$451,497	\$365,364	\$4,847,166	\$2,888,183	\$7,735,349
SQUARE METRES								
School Buildings								87,583.0
Non School Buildings								1,589.4
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	43.8	15.0						
Contracted Services								

Notes:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BORP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt.

Supported Capital & Debt Services:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Grande Prairie Roman Catholic Separate School District No. 28

Legal Name of School Jurisdiction

9902 -101- Street Grande Prairie, Alberta T8V 2P4

Mailing Address

Telephone 780-532-3013 FAX 780-532-3430

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Grande Prairie Roman Catholic Separate School District No. 28

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Morag Mochan

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Karl Germann

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Grant Burge

Name

"ORIGINAL SIGNED"

Signature

15-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

AUDITOR'S REPORT

To the Board of Trustees

Grande Prairie Roman Catholic Separate School District No. 28

We have audited the statement of financial position of the **Grande Prairie Roman Catholic Separate School District No. 28** as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the School Jurisdiction's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the School Jurisdiction as at August 31, 2004 and the revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic audited financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic audited financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic audited financial statements taken as a whole.

Grande Prairie, Alberta
October 6, 2004

Fletcher, Mudryk & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$1,523,966	\$1,433,765
Accounts receivable (net after allowances)	\$2,234,559	\$1,636,423
Prepaid expenses	\$194,369	\$190,758
Other current assets	\$110,102	\$82,973
Total current assets	\$4,062,996	\$3,343,919
School generated assets	\$275,863	\$299,988
Trust assets	\$68,104	\$56,717
Long term accounts receivable	\$1,217,079	\$1,150,945
Long term investments		
Capital assets		
Land	\$180,400	\$180,400
Buildings	\$45,537,468	
Less: accumulated amortization	(\$15,222,263)	\$31,420,302
Equipment	\$245,063	
Less: accumulated amortization	(\$127,534)	\$96,890
Vehicles	\$301,321	
Less: accumulated amortization	(\$20,246)	\$58,854
Total capital assets	\$30,894,209	\$31,756,446
TOTAL ASSETS	\$36,518,251	\$36,608,015
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,343,580	\$2,063,062
Deferred revenue	\$711,191	\$271,650
Deferred capital allocations	\$1,542,225	\$1,646,232
Current portion of all long term debt	\$901,236	\$907,838
Total current liabilities	\$5,498,232	\$4,888,782
School generated liabilities	\$275,863	\$299,988
Trust liabilities	\$68,104	\$56,717
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$6,865,465	\$7,773,303
Less: Current portion of supported debt	(\$901,236)	(\$907,838)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$22,686,934	\$22,860,447
Total long term liabilities	\$28,995,130	\$30,082,617
TOTAL LIABILITIES	\$34,493,362	\$34,971,399
NET ASSETS		
Unrestricted net assets	(\$0)	\$0
Operating Reserves	\$131,875	\$32,258
Accumulated Operating Surplus (Deficit)	\$131,875	\$32,258
Investment in capital assets	\$1,341,806	\$1,122,692
Capital Reserves	\$551,208	\$481,666
Total Capital Funds	\$1,893,014	\$1,604,358
Total net assets	\$2,024,889	\$1,636,616
TOTAL LIABILITIES AND NET ASSETS	\$36,518,251	\$36,608,015

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$19,682,691	\$18,336,832	\$18,088,232
Alberta Infrastructure	\$2,364,211	\$2,309,378	\$2,449,304
Alberta Finance	\$854,725	\$1,109,607	\$857,490
Other Government of Alberta	\$82,735	\$146,442	\$97,977
Federal Government and/or First Nations	\$16,927	\$13,260	\$15,806
Other Alberta school authorities	\$340	\$0	\$4,322
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$132,887	\$116,275	\$117,410
Transportation fees	\$9,935	\$4,800	\$1,200
Other sales and services	\$48,524	\$35,537	\$42,948
Investment income	\$48,827	\$35,000	\$60,896
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$37,255	\$27,000	\$31,565
Net school generated funds	\$15,880	\$50,000	\$9,953
Gains on disposal of capital assets	\$1,455	\$0	\$0
Amortization of capital allocations	\$1,272,831	\$998,816	\$1,276,552
Total Revenues	\$24,569,223	\$23,182,947	\$23,053,616
EXPENSES			
Certificated salaries	\$11,929,789	\$11,603,767	\$11,156,347
Certificated benefits	\$1,758,613	\$1,629,053	\$1,549,306
Uncertificated salaries and wages	\$3,132,514	\$3,075,309	\$3,281,031
Uncertificated benefits	\$745,488	\$713,713	\$729,762
Services, contracts and supplies	\$4,404,096	\$4,002,682	\$4,181,896
Net school generated funds	\$15,880	\$50,000	\$9,953
Capital and debt services			
Amortization of capital assets			
Supported	\$1,272,831	\$998,816	\$1,276,552
Unsupported	\$66,976	\$0	\$58,785
Total Amortization of capital assets	\$1,339,807	\$998,816	\$1,335,337
Interest on capital debt			
Supported	\$854,725	\$1,109,607	\$857,490
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$854,725	\$1,109,607	\$857,490
Other interest charges	\$38	\$0	\$89
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$24,180,950	\$23,182,947	\$23,101,211
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM	\$388,273	\$0	(\$47,595)
Unrestricted revenues used for capital purposes	\$0	\$0	\$56,052
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$388,273	\$0	\$8,457

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$388,273	\$8,457
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,272,831)	(\$1,276,552)
Total amortization expense	\$1,339,807	\$1,335,337
Gains on disposal of capital assets	(\$1,455)	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$598,136)	\$232,683
Prepays and other current assets	(\$30,740)	(\$74,792)
Long term accounts receivable	(\$66,134)	
Long term investments	\$0	
Payables and accrued liabilities	\$280,518	\$67,386
Deferred revenue	\$439,541	(\$370,017)
Employee future benefits	\$0	\$0
Other (describe) Remove LT A/R		\$0
Total sources (uses) of cash from Operations	\$478,843	(\$77,498)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$191,481)	(\$756,280)
Equipment	(\$58,046)	(\$51,705)
Vehicles	(\$243,089)	\$0
Net proceeds from disposal of capital assets	\$16,500	\$0
Other (describe) Disposal of asset	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$476,116)	(\$807,985)
C. FINANCING ACTIVITIES		
Capital allocations received	\$87,474	\$87,266
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$907,838)	(\$940,438)
Add back: supported portion	\$907,838	\$940,438
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$87,474	\$87,266
Net sources (uses) of cash equivalents* during year	\$90,201	(\$798,217)
Cash Equivalents at the beginning of the year	\$1,433,765	\$2,231,982
Cash Equivalents at the end of the year	\$1,523,966	\$1,433,765

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2-3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)								(6) External Services			
					(7) School Based		(8) Infrastructure		(9) Board & System Admin		(10) Transportation		(11) Unrestricted Operating Reserves		(12) Unrestricted Capital Reserves	
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves
Balance at August 31, 2003	\$1,636,616	\$1,122,692	\$0	\$513,924	\$24,266	\$0	\$0	\$381,032	\$7,992	\$100,634				\$0	\$0	\$0
Proportion adjustments (decrease)																
To Adjust balances to correct classification	\$0	\$0	\$0	\$0	\$0	\$0		(\$60,711)	\$0		\$0	\$50,711		\$0	\$0	\$0
To Correct Accounts as per F/S	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Unsure as to where these are in the statement	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$1,636,616	\$1,122,692	\$0	\$513,924	\$24,266	\$0	\$0	\$320,321	\$7,992	\$100,634		\$50,711		\$0	\$0	\$0
Surplus/def of revenue over expenses	\$388,273		\$388,273													
Board funded capital transactions		\$301,135	(\$301,135)	\$0		\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0
Donations of non amortizing assets	\$0	\$0	\$0	\$0												
Amortization of capital assets		(\$1,339,607)	\$1,339,607													
Amortization of capital allocations		\$1,272,831	(\$1,272,831)													
Disposal of unsupported capital assets	\$0	(\$15,045)	\$15,045	\$0		\$0		\$0		\$0		\$0		\$0	\$0	\$0
Disposal of supported capital assets (unrestricted portion)																
Debt principal payments (unrestricted)		\$0										\$81,345				
Net transfers to operating reserves			(\$99,617)	\$99,617	\$18,272		\$0		\$0							
Net transfers from operating reserves			\$0	\$0					\$0							
Net transfers to capital reserves			(\$89,542)	\$89,542						\$0		\$89,542				
Net transfers from capital reserves			\$0	\$0						\$0						
Balance at August 31, 2004	\$2,024,889	\$1,341,606	\$0	\$683,283	\$42,538	\$0	\$0	\$320,321	\$7,992	\$100,634	\$81,345	\$130,253		\$0	\$0	\$0

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$1,646,232	\$22,860,447
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$21,340	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$66,134	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$907,838
Expended capital allocations - current year	(\$191,481)	\$191,481
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,272,831
Balance at August 31, 2004	\$1,542,225	\$22,686,934

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

1. **AUTHORITY AND PURPOSE**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, 2000, Chapter 5-3.

The Jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. **SIGNIFICANT ACCOUNTING POLICIES**

These audited financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta School Jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions-in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

2. **SIGNIFICANT ACCOUNTING POLICIES – continued**

Capital Assets

Capital assets are recorded at cost. Only capital assets with a cost in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5% to 10%	(10 years to 40 years)
Equipment	10% to 20%	(5 years to 10 years)
Vehicles	10% to 20%	(5 years to 10 years)

No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

Pension Obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

2. **SIGNIFICANT ACCOUNTING POLICIES – continued**

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Prairie Roman Catholic Separate School Division No. 28 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual employer contributions of \$178,124 (2003 - \$136,728) for the year ended August 31, 2004.

Operating and Capital Reserves

Reserves are established, at the discretion of the Board of Trustees of the Jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee Future Benefits

The Jurisdiction accrued its obligations under employee future benefit plans and expensed the related costs. As at August 31, 2004, the recorded obligation is \$209,960 (2003 - \$161,968). The total expense recorded in the audited financial statements is \$47,992 (2003 - \$21,410).

Financial Instruments

The Jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the Jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the Trustees Act.

Measurement Uncertainty

The preparation of the audited financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the audited financial statements of changes in such estimates in future periods could be significant.

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

3. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Alberta Learning	\$ 32,760	\$ 132,071
Alberta Infrastructure	721,150	49,603
Other Province of Alberta	360,103	407,600
Federal Government	80,502	63,867
Alberta Municipalities	722,129	603,647
Other Alberta School Jurisdictions	220,287	310,501
Other	<u>97,628</u>	<u>69,134</u>
	<u>\$ 2,234,559</u>	<u>\$ 1,636,423</u>

4. ACCOUNTS PAYABLE AND LIABILITIES

	<u>2004</u>	<u>2003</u>
Alberta Learning	\$ 575,542	\$ 496,542
Alberta Finance	360,103	407,600
Other trade payables and accrued liabilities	<u>1,407,935</u>	<u>1,158,920</u>
	<u>\$ 2,343,580</u>	<u>\$ 2,063,062</u>

5. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the Jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account. Details of the changes in the deferred capital allocations account are as follows:

Balance – beginning of year	\$ 1,646,232	\$ 2,259,195
Allocations received and receivable during year	87,475	87,266
Transfers to unamortized capital allocations (note 7)	<u>(191,481)</u>	<u>(700,299)</u>
Balance – end of year	<u>\$ 1,542,226</u>	<u>\$ 1,646,232</u>

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

6. LONG-TERM DEBT

(a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 8.125% and 12.0% per annum and mature in 2005 through 2016. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt. Therefore, the working capital (current assets minus current liabilities) is understated by this amount.

Debenture payments due over the next five years and beyond are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 901,237	\$ 710,895	\$ 1,612,132
2006	890,838	615,256	1,506,094
2007	890,837	520,709	1,411,546
2008	849,209	426,161	1,275,370
2009	759,073	336,609	1,095,682
2010 to maturity	<u>2,574,272</u>	<u>714,765</u>	<u>3,289,037</u>
	<u>\$ 6,865,466</u>	<u>\$ 3,324,395</u>	<u>\$10,189,861</u>

(b) Capital Leases – Unsupported

Currently, there are no capital leases held by the Jurisdiction.

7. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

Details of the changes to the account are as follows:

Balance – beginning of year	\$ 22,860,447	\$ 22,496,332
Supported debenture principal repayments	907,838	940,438
Transfers from deferred capital allocations (note 5)	191,481	700,229
Less: Capital allocation revenue	<u>(1,272,831)</u>	<u>(1,276,552)</u>
Balance – end of year	<u>\$ 22,686,935</u>	<u>\$ 22,860,447</u>

GRANDE PRAIRIE ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 28
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

8. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	August 31, <u>2003</u>	<u>Appropriated</u>	<u>Utilized</u>	August 31, <u>2004</u>
Operating Reserves				
School-based	\$ 24,266	\$ -	\$ -	\$ 24,266
Stabilization fund	-	18,271	-	18,271
Transportation	-	81,345	-	81,345
Board and system administration	<u>7,992</u>	<u>-</u>	<u>-</u>	<u>7,992</u>
	<u>32,258</u>	<u>99,616</u>	<u>-</u>	<u>131,874</u>
Capital Reserves				
Land - unsupported	12,170	-	-	12,170
Buildings - unsupported	100,634	-	-	100,634
Equipment	308,151	-	-	308,151
Vehicles	<u>60,711</u>	<u>69,542</u>	<u>-</u>	<u>130,253</u>
	<u>481,666</u>	<u>69,542</u>	<u>-</u>	<u>551,208</u>
	<u>\$ 513,924</u>	<u>\$ 169,158</u>	<u>\$ -</u>	<u>\$ 683,082</u>

9. ECONOMIC DEPENDENCE

The School Jurisdiction's primary source of income is from the Alberta Government. The Jurisdiction's ability to continue viable operations is dependent on this funding.

10. BUDGET AMOUNTS

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$16,604,100	\$1,233,057	\$15,371,044						
(2) Support block	\$1,687,235	\$0	\$0		\$603,662			\$1,083,553	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$364,000	\$0	\$364,000						\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0						\$0
(6) Supernet Access	\$118,432	\$0	\$118,432						\$0
(7) Teacher Salary Enhancement (TSE)	\$676,000	\$0	\$676,000						\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0						\$0
(9) Regional Assessment Services (4 boards only)	\$152,924	\$77,273	\$77,258	\$0	\$3,353			\$0	\$0
(10) Other Alberta Learning revenues	\$19,882,691	\$1,310,330	\$16,701,733	\$0	\$607,075			\$1,083,553	\$0
Total Alberta Learning Revenue									
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$242,598			\$242,598					
(13) Operations & Maintenance support	\$2,121,613			\$2,121,613					
(14) Operations & Maintenance support (Orr - Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue									
(16) Alberta Finance	\$854,725	\$0	\$0	\$854,725					\$0
(17) Other - Government of Alberta	\$82,735	\$0	\$0	\$5,495	\$0			\$0	\$7,240
(18) Federal Government and/or First Nations	\$16,927	\$0	\$16,927	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$340	\$0	\$340	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$132,887	\$6,458	\$126,429		\$9,935			\$14,550	\$0
(23) Transportation fees	\$9,835	\$0	\$0	\$0	\$0			\$16,275	\$0
(24) Other sales and services	\$48,524	\$0	\$33,974	\$0	\$0			\$11,164	\$0
(25) Investment income	\$48,827	\$0	\$16,276	\$0	\$0			\$1,455	\$0
(26) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$37,255	\$0	\$0	\$20,091	\$0			\$1,455	\$0
(28) Net school generated funds	\$15,880	\$0	\$15,880	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$1,455	\$0	\$0	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$1,272,831		\$0	\$1,272,831	\$0			\$1,106,997	\$17,240
(31) TOTAL REVENUES	\$24,569,223	\$1,316,788	\$16,911,559	\$4,523,353	\$673,286				
EXPENSES									
(32) Certificated salaries	\$11,929,789	\$499,294	\$11,246,533					\$183,962	\$0
(33) Certificated benefits	\$1,758,613	\$80,443	\$1,618,572					\$62,598	\$0
(34) Uncertificated salaries and wages	\$3,132,314	\$240,109	\$1,518,481	\$939,567	\$15,210	\$110,002		\$311,165	\$421,187
(35) Uncertificated benefits	\$745,488	\$52,607	\$377,103	\$209,882	\$4,386	\$20,737		\$101,761	\$0
(36) SUB - TOTAL	\$17,596,403	\$872,451	\$14,755,669	\$1,146,449	\$19,246	\$130,739		\$638,749	\$769,488
(37) Services, contracts & supplies	\$4,400,096	\$156,730	\$1,951,300	\$1,337,361	\$593,025	\$31,248		\$288,380	\$77,240
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(39) Net school generated funds	\$15,880	\$0	\$15,880	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
(40) Amortization of capital assets	\$1,272,831	\$0	\$0	\$1,272,831	\$0			\$0	\$0
(41) Supported	\$66,976	\$0	\$33,334	\$0	\$0	\$0		\$33,642	\$0
(42) Total Amortization	\$1,339,807	\$0	\$33,334	\$1,272,831	\$0	\$0		\$33,642	\$0
Interest on capital debt									
(43) Supported	\$854,725	\$0	\$0	\$854,725	\$0			\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(45) Other interest charges	\$138	\$0	\$138	\$0	\$0	\$0		\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(47) TOTAL EXPENSES	\$24,160,950	\$1,020,181	\$16,816,712	\$4,614,366	\$551,940	\$161,987		\$1,091,510	\$77,240
(48) Surplus/(deficit) before unrestricted revenues used for capital purposes	\$3,408,273	\$287,607	\$994,847	\$891,013	\$81,246			\$15,487	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$9,249,368	\$920,776	\$216,894	\$471,661	\$69,694	\$318,140	\$0
Certificated benefits	\$1,388,409	\$91,766	\$24,191	\$60,701	\$11,972	\$38,532	\$0
Uncertificated salaries and wages	\$252,710	\$770,679	\$46,766	\$76,756	\$369,410	\$369,410	\$0
Uncertificated benefits	\$62,748	\$179,797	\$12,160	\$21,411	\$100,953	\$35	\$0
SUB - TOTAL REMUNERATION	\$10,953,235	\$1,963,018	\$300,011	\$630,529	\$552,029	\$358,847	\$0
Services, contracts & supplies	\$1,689,668	\$88,096	\$19,042	\$34,587	\$83,398	\$36,570	\$0
Cost recoveries & transfers	\$60,431	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$15,880						\$15,880
Amortization of capital assets							
Supported	\$0	\$0	\$0	\$0			\$0
Unsupported	\$33,334	\$0	\$0	\$0			\$33,334
Total Amortization	\$33,334	\$0	\$0	\$0			\$33,334
Interest on capital debt							
Supported	\$0	\$0	\$0	\$0			\$0
Unsupported	\$0	\$0	\$0	\$0			\$0
Other interest charges	\$0	\$38					\$0
Losses on disposal of capital assets	\$0	\$0					\$38
TOTAL EXPENSES	\$12,752,548	\$2,051,152	\$319,053	\$665,116	\$635,427	\$393,417	\$0
FTE Certificated				6.8	1.6		
FTE Uncertificated				3.2	22.8		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	TOTAL REVENUE	INSTRUCTION BLOCK REALLOCATION	NON-ALBERTA LEARNING REVENUE	ALBERTA LEARNING OTHER REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION						
Basic Instruction	\$13,529,776	\$13,529,776	\$1,058,432	\$83,397	\$0	\$12,741,463	\$14,671,605	\$0	\$83,397	\$1,058,432	\$1,930,142
School Admin & Instruction Support Expenses							\$2,051,152				(\$2,051,152)
System Instruction Support Expenses							\$319,053				(\$319,053)
Total Basic Instruction	\$13,529,776	\$13,529,776	\$1,058,432	\$83,397	\$0	\$15,111,668	\$14,671,605	\$0	\$83,397	\$1,058,432	(\$440,063)
Sub-Programs & Initiatives											
Severely Disabled	\$619,587			\$0		\$635,427	\$619,587				(\$15,840)
English as a Second Language	\$50,048					\$78,405	\$50,048				(\$28,357)
Enhanced Opportunities	\$20,400					\$20,400	\$20,400				\$0
First Nations, Metis, and Inuit Education	\$182,657			\$0		\$196,408	\$182,657				(\$13,751)
Institutional Programs	\$0					\$0	\$0				\$0
Sparsity & Distance	\$680,998					\$680,998	\$680,998				\$0
Growth & Density	\$42,403					\$42,403	\$42,403				\$0
Teacher Assistants Program	\$71,027					\$71,027	\$71,027				\$0
Early Literacy Initiative (K-2)	\$143,006					\$158,122	\$143,006				(\$15,116)
Learning Resources Credit & Resources for the Classroom	\$32,640			\$126,429		\$297,897	\$231,326				(\$66,571)
Technology Integration	\$133,848			\$0		\$182,704	\$133,848				(\$48,856)
French Language Program & Francisation (all jurisdictions)	\$64,654			\$0		\$64,654	\$64,654				\$0
Home Education	\$0			\$0		\$0	\$0				\$0
Total Sub-Programs & Initiatives	\$2,041,268			\$126,429		\$1,705,044	\$2,239,954	\$0	\$126,429	\$1,705,044	\$534,910
INSTRUCTION, GRADES 1-12	\$15,571,044		\$1,130,660	\$209,826	\$0	\$16,816,712	\$16,911,559	\$0	\$16,911,559	\$16,816,712	\$94,847

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$16,670,252
Support Block - Transportation	\$603,682
SUBTOTAL	\$17,273,934
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$2,121,613
Teacher Salary Enhancement	\$676,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$82,735
Federal government/First Nations	\$16,927
Other Alberta school authorities	\$340
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$48,524
Interest on investments	\$48,827
Rentals of facilities	\$37,255
Gains on disposal of capital assets	\$1,455
Amortization of capital allocations	\$1,272,831
School generated funds (Schedule E)	\$1,248,780
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$22,829,221
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.45%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,243,051
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,243,051
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,091,510
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,091,510
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,243,051
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$151,541

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$299,988
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,248,780	
Less: SGF - related cost recoveries (Note 3)	\$1,257,025	
- capitalized at the District level (Note 4)	\$0	
Net Total	(\$8,245)	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		(\$8,245)
Net SGF Available for discretionary spending		\$291,743
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$15,880
Unexpended SGF - Closing Balance August 31, 2004		\$275,863
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$600,964	\$65,938	\$0	\$15,799	\$36,866	\$939,567		\$939,567
Uncertificated benefits	\$176,219	\$18,114	\$0	\$3,667	\$11,882	\$209,882		\$209,882
Sub-total Remuneration	\$977,183	\$104,052	\$0	\$19,466	\$48,748	\$1,149,449		\$1,149,449
Contracted Services	\$75,056	\$59,866	\$0	\$248,469	\$2,309	\$385,702		\$385,702
Supplies	\$188,752	\$122,316	\$0	\$0	\$117	\$311,165		\$311,165
Electricity			\$349,204			\$349,204		\$349,204
Natural Gas/Heating Fuel			\$182,823			\$182,823		\$182,823
Sewer and Water			\$35,061			\$35,061		\$35,061
Telecommunications			\$3,031			\$3,031		\$3,031
Insurance					\$70,355	\$70,355		\$70,355
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,272,831	\$1,272,831
Unsuported							\$0	\$0
Total Amortization							\$1,272,831	\$1,272,831
Interest on capital debt								
Supported							\$854,725	\$854,725
Unsuported							\$0	\$0
Other interest charges							\$0	\$0
Losses on disposal of capital assets							\$0	\$0
Cost recoveries & transfers							\$0	\$0
TOTAL EXPENSES	\$1,240,903	\$286,234	\$570,119	\$267,935	\$121,529	\$2,486,810	\$2,127,556	\$4,614,366
SQUARE METRES								
School Buildings								38,114.0
Non School Buildings								929.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	17.2	3.0						
Contracted Services	0.0	0.0						

Notes:

Custodial

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 146.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name: Moring Morgan	1.0	\$21,855	\$999	\$0	\$0		\$22,854	\$4,508
Other Board Members:								
Name: Alice Brack	1.0	\$15,531	\$1,071	\$0			\$16,602	\$4,243
Name: Angela Peters	1.0	\$16,284	\$3,970	\$0			\$20,254	\$4,431
Name: Braun Muldoon	1.0	\$14,193	\$2,797	\$0			\$16,990	\$1,725
Name: Derek Dyck	1.0	\$15,188	\$3,916	\$0			\$19,104	\$4,276
Name: Joe Krainer	1.0	\$8,328	\$3,937	\$3,640			\$15,905	\$5,500
Name: John Krol	1.0	\$14,983	\$4,047	\$2,853			\$21,883	\$6,567
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	7.0	\$106,363	\$20,737	\$6,493			\$133,593	\$31,248
Superintendent: Blyn Kulmatycki	1.0	\$123,811	\$9,671	\$7,200	\$0	\$33,847	\$174,529	\$5,059
Superintendent:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer: Grant Burge	1.0	\$94,297	\$15,657	\$0	\$0	\$14,145	\$124,099	\$3,664
Secretary/Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer:	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	175.4	\$11,805,977	\$1,707,865	\$0	\$0	\$0	\$13,513,872	
Uncertificated Salaries & Wages	104.8	\$2,931,854	\$688,456	\$0	\$0	\$0	\$3,620,310	
TOTALS		\$16,062,302	\$2,442,416	\$13,893	\$0	\$47,992	\$17,566,403	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Grande Prairie Public School District # 2357

Legal Name of School Jurisdiction

10213 - 99 Street, Grande Prairie, Ab. T8V 2H3

Mailing Address

Phone (780) 532 - 4491

Fax (780) 539 - 4265

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules, Grande Prairie Public School District # 2357

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

John Lehnert

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Lorne G. Radbourne

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Russell Horswill

Name

"ORIGINAL SIGNED"

Signature

30-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L3
EMAIL: Cindy.Jarry@gov.ab.ca
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AUDITORS' REPORT

To the Board of Trustees
Grande Prairie Public School District #2357

We have audited the statement of financial position of the **Grande Prairie Public School District #2357** as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These audited financial statements are the responsibility of the School Jurisdiction's management. Our responsibility is to express an opinion on these audited financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the audited financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the audited financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall audited financial statement presentation.

In our opinion, these audited financial statements present fairly, in all material respects, the financial position of the School Jurisdiction as at August 31, 2004 and the revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic audited financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic audited financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic audited financial statements taken as a whole.

Grande Prairie, Alberta
November 5, 2004

Fletcher Mudryk & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$16,196	\$16,257
Accounts receivable (net after allowances)		\$3,772,216	\$4,054,226
Prepaid expenses		\$759,172	\$882,756
Other current assets		\$228,236	\$180,115
Total current assets		\$4,775,820	\$5,133,354
School generated assets		\$396,946	\$396,458
Trust assets		\$607,701	\$272,647
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$431,253	\$431,253
Buildings	\$73,291,698		
Less: accumulated amortization	(\$33,062,793)	\$40,228,905	\$41,466,033
Equipment	\$1,418,491		
Less: accumulated amortization	(\$395,847)	\$1,022,644	\$1,094,600
Vehicles	\$389,394		
Less: accumulated amortization	(\$161,415)	\$227,979	\$82,663
Total capital assets		\$41,910,781	\$43,074,549
TOTAL ASSETS		\$47,691,248	\$48,877,008
LIABILITIES			
Current liabilities			
Bank indebtedness		\$554,593	\$539,856
Accounts payable and accrued liabilities		\$2,917,801	\$3,307,097
Deferred revenue		\$768,380	\$1,481,987
Deferred capital allocations		\$432,248	\$24,995
Current portion of all long term debt		\$1,451,696	\$1,451,696
Total current liabilities		\$6,124,718	\$6,805,631
School generated liabilities		\$396,946	\$396,458
Trust liabilities		\$607,701	\$272,647
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$11,722,475	\$13,152,171
Less: Current portion of supported debt		(\$1,429,696)	(\$1,429,696)
Unsupported: Debentures and Capital Loans		\$71,200	\$93,200
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		(\$22,000)	(\$22,000)
Unamortized capital allocations		\$28,278,676	\$27,861,391
Total long term liabilities		\$39,625,302	\$40,324,171
TOTAL LIABILITIES		\$45,750,020	\$47,129,802
NET ASSETS			
Unrestricted net assets		\$13,288	(\$310,090)
Operating Reserves		\$0	\$0
Accumulated Operating Surplus (Deficit)		\$13,288	(\$310,090)
Investment in capital assets		\$1,838,432	\$1,967,788
Capital Reserves		\$89,508	\$89,508
Total Capital Funds		\$1,927,940	\$2,057,296
Total net assets		\$1,941,228	\$1,747,206
TOTAL LIABILITIES AND NET ASSETS		\$47,691,248	\$48,877,008

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$34,741,405	\$33,578,208	\$33,274,677
Alberta Infrastructure	\$4,624,802	\$4,090,802	\$4,389,301
Alberta Finance	\$1,226,579	\$1,232,400	\$1,372,850
Other Government of Alberta	\$246,080	\$174,000	\$268,262
Federal Government and/or First Nations	\$179,005	\$0	\$209,400
Other Alberta school authorities	\$458,281	\$480,000	\$466,927
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$372,551	\$258,835	\$376,338
Transportation fees	\$0	\$0	\$0
Other sales and services	\$403,035	\$160,000	\$446,508
Investment income	\$47,216	\$25,000	\$30,757
Gifts and donations	\$83,662	\$15,000	\$145,010
Rentals of facilities	\$41,044	\$50,000	\$83,624
Net school generated funds	\$701,361	\$775,000	\$493,107
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$2,069,003	\$2,072,525	\$2,072,534
Total Revenues	\$45,194,024	\$42,911,770	\$43,629,295
EXPENSES			
Certificated salaries	\$21,894,126	\$21,573,600	\$21,592,212
Certificated benefits	\$2,945,443	\$2,806,100	\$2,941,156
Uncertificated salaries and wages	\$6,436,709	\$6,242,500	\$6,409,545
Uncertificated benefits	\$1,675,856	\$1,669,500	\$1,654,175
Services, contracts and supplies	\$7,884,999	\$6,364,600	\$6,898,120
Net school generated funds	\$701,361	\$775,000	\$493,107
Capital and debt services			
Amortization of capital assets			
Supported	\$2,069,003	\$2,072,525	\$2,072,534
Unsupported	\$151,356	\$162,545	\$151,365
Total Amortization of capital assets	\$2,220,359	\$2,235,070	\$2,223,899
Interest on capital debt			
Supported	\$1,226,579	\$1,232,400	\$1,372,843
Unsupported	\$8,473	\$12,500	\$12,027
Total Interest on capital debt	\$1,235,052	\$1,244,900	\$1,384,870
Other interest charges	\$6,097	\$500	\$20,253
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$45,000,002	\$42,911,770	\$43,617,337
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$194,022	\$0	\$11,958
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$194,022	\$0	\$11,958

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$194,022	\$11,958
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$2,069,003)	(\$2,072,534)
Total amortization expense	\$2,220,359	\$2,223,899
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$282,010	(\$1,199,580)
Prepays and other current assets	\$75,463	\$236,852
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$389,296)	\$304,508
Deferred revenue	(\$713,607)	(\$64,117)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$400,052)	(\$559,014)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$818,878)	(\$2,682,602)
Equipment	(\$66,371)	(\$181,871)
Vehicles	(\$171,342)	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,056,591)	(\$2,864,473)
C. FINANCING ACTIVITIES		
Capital allocations received	\$1,463,845	\$2,375,302
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,451,696)	(\$1,451,696)
Add back: supported portion	\$1,429,696	\$1,429,696
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$1,441,845	\$2,353,302
Net sources (uses) of cash equivalents* during year	(\$14,798)	(\$1,070,185)
Cash Equivalents at the beginning of the year	(\$523,599)	\$546,586
Cash Equivalents at the end of the year	(\$538,397)	(\$523,599)

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED	(5) RESTRICTED NET ASSETS (in dollars)										(11) Transportation	(12) Unrestricted Capital Reserves	(13) Unrestricted Operating Reserves	(14) Unrestricted Capital Reserves
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Unrestricted Capital Reserves		(10) Unrestricted Capital Reserves					
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves				
Balance at August 31, 2003	\$1,747,206	\$1,987,788	(\$310,000)	\$89,508	\$0	\$0	\$0	\$29,441	\$0	\$36,473	\$0	\$23,594		\$0	\$0	\$0		
Plus period adjustments (describe)																		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		
Adjusted Balance, Aug 31, 2003	\$1,747,206	\$1,987,788	(\$310,000)	\$89,508	\$0	\$0	\$0	\$29,441	\$0	\$36,473	\$0	\$23,594		\$0	\$0	\$0		
Surplus(def) of revenue over expenses	\$194,022		\$194,022															
Sold funded capital transactions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0		
Debt of non-amortizable assets	\$0	\$0																
Amortization of capital assets		(\$2,220,359)	\$2,220,359															
Amortization of capital allocations		\$2,069,003	(\$2,069,003)															
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Disposal of supported capital assets unsupported portion	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		
Debt principal payments (unsupported)		\$22,000	(\$22,000)															
Net transfers to operating reserves			\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0	\$0		
Net transfers from operating reserves			\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0	\$0		
Net transfers to capital reserves			\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0	\$0		
Net transfers from capital reserves			\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0	\$0		
Balance at August 31, 2004	\$1,941,228	\$1,838,432	\$13,288	\$89,508	\$0	\$0	\$0	\$29,441	\$0	\$36,473	\$0	\$23,594		\$0	\$0	\$0		

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$24,995	\$27,861,391
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$1,251,918	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$211,927	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,429,696
Expended capital allocations - current year	(\$1,056,592)	\$1,056,592
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$2,069,003
Balance at August 31, 2004	\$432,248	\$28,278,676

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

1. **AUTHORITY AND PURPOSE**

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, 2000, Chapter 5-3.

The Jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. **SIGNIFICANT ACCOUNTING POLICIES**

These audited financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta School Jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of audited financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The audited financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions-in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

2. **SIGNIFICANT ACCOUNTING POLICIES – continued**

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end and are, accordingly, recorded as prepaid expenses. In addition, certain insurance expenses fall into this category.

Capital Assets

Capital assets are recorded at cost. Rates of amortization applied on a straight-line basis to write off the cost of capital assets over their estimated useful lives are as follows:

Buildings	2.5% to 10%	(10 years to 40 years)
Equipment	10% to 20%	(5 years to 10 years)
Vehicles	10% to 20%	(5 years to 10 years)

No amortization is recorded in the year of acquisition.

When capital assets are sold or scrapped, the cost of the asset and the related accumulated amortization are removed from the accounts and any resulting gain or loss on disposal is reflected in income. No amortization is recorded in the year of disposition.

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related assets.

School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

2. **SIGNIFICANT ACCOUNTING POLICIES – continued**

Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the School Board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the audited financial statements.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Prairie Public School District #2357 does not make pension contributions for certificated staff.

The School Board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$321,208 (2003 – \$273,611) for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the Jurisdiction to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee Future Benefits

The Jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the Jurisdiction at this time.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

2. SIGNIFICANT ACCOUNTING POLICIES – continued

Financial Instruments

The Jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities and long-term debt. It is management's opinion that the Jurisdiction is not exposed to significant interest, currency or credit risks arising from these audited financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

Measurement Uncertainty

The preparation of the audited financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the audited financial statements of changes in such estimates in future periods could be significant.

3. BANK INDEBTEDNESS

The Jurisdiction has negotiated a line of credit in the amount of \$3,500,000 that bears interest at the bank prime rate minus 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the Jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

4. DEFERRED REVENUE

	<u>2004</u>	<u>2003</u>
IMP Funding 2004 - 2005	\$ 95,975	\$ -
IMP Funding 2003 - 2004	-	417,049
IMP Funding 2002 - 2003	-	85,754
One Time Funding 2003 - 2004	-	166,258
Mod Block Funding	543,106	607,736
Resources for the Classroom 2003 - 2004	-	124,174
Other	<u>129,299</u>	<u>81,016</u>
	<u>\$ 768,380</u>	<u>\$ 1,481,987</u>

5. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the Jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

6. LONG-TERM DEBT

	<u>2004</u>	<u>2003</u>
(a) Debentures - supported	\$ 11,722,475	\$ 13,152,171
- unsupported	<u>71,200</u>	<u>93,200</u>
	11,793,675	13,245,371
Less current portion	<u>(1,451,696)</u>	<u>(1,451,696)</u>
	<u>\$ 10,341,979</u>	<u>\$ 11,793,675</u>

The debentures are issued from the Alberta Municipal Finance Corporation to finance construction of school buildings, bear interest at rates ranging from 6.375% to 12.0% per annum and mature in 2005 through 2020.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

6. LONG-TERM DEBT – continued

Debenture repayments required in each of the next five fiscal years to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 1,451,696	\$ 1,163,604	\$ 2,615,300
2006	1,392,897	1,012,620	2,405,517
2007	1,392,897	867,810	2,260,707
2008	1,376,097	723,052	2,099,149
2009	1,163,659	580,038	1,743,697
2010 to maturity	<u>5,016,429</u>	<u>1,896,376</u>	<u>6,912,805</u>
Total	<u>\$ 11,793,675</u>	<u>\$ 6,243,500</u>	<u>\$ 18,037,175</u>

(b) Capital leases – unsupported

Currently, there are no capital leases held by the Jurisdiction.

7. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

8. COMMITMENTS

The Jurisdiction is committed to further capital expenditures for the Crystal Park School CTS Construction/Renovation Project of approximately \$2,000 and the Lions Learning Centre Project of approximately \$15,000. It is anticipated that those costs will be fully funded by the capital allocations from Alberta Infrastructure.

The Jurisdiction is committed to severance and/or retirement pay for senior administrative officers for a total maximum liability of \$250,000, of which a total of \$200,283 (2003 – \$205,777) has been accrued in these audited financial statements.

GRANDE PRAIRIE PUBLIC SCHOOL DISTRICT #2357
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2004

8. COMMITMENTS – continued

In addition, the Jurisdiction is committed to early retirement incentive pay for an estimated total liability of \$1,112,512 of which \$45,240 has been accrued in the audited financial statements. It is anticipated that these amounts will be funded on an annual basis through the normal budgeting process.

9. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Jurisdiction's primary source of income is from the Alberta Government. The Jurisdiction's ability to continue viable operations is dependent on this funding.

10. THE URBAN SCHOOLS INSURANCE CONSORTIUM

The Jurisdiction is a member of The Urban Schools Insurance Consortium (USIC) which facilitates the placement of property and liability insurance coverage for thirteen Jurisdictions throughout the province of Alberta. Premium rebates are received from the insurers favorable claims experience and accumulated by the consortium to self-insure a portion of the member's risk exposure. The Jurisdiction's share of the accumulated consortium funds as at August 31, 2004 was \$217,775 (2003 – \$166,053).

11. BUDGET AMOUNTS

The budget was prepared by the School Jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$28,314,019	\$1,840,085	\$28,864,954						
(2) Support block	\$2,424,883				\$138,953			\$1,485,960	\$0
(3) Instruction & support block reallocations			\$428,723		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$649,960	\$0	\$649,960						\$0
(5) Student Health Initiative (SHI)	\$1,059,245	\$0	\$1,059,245						\$0
(6) SuperNet Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$1,265,000	\$32,473	\$1,218,679					\$11,848	\$0
(8) Regional P.D. Consortium (6 boards only)	\$193,108								\$193,108
(9) Regional Assessment Services (4 boards only)	\$562,937								\$562,937
(10) Other Alberta Learning revenues	\$292,875	\$0			\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$34,741,405	\$1,454,815	\$32,089,285	\$0	\$138,953			\$1,507,808	\$779,184
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$679,851		\$679,851						\$0
(13) Operations & Maintenance support	\$3,794,493		\$3,794,493						\$0
(14) Operations & Maintenance support (One-Time)	\$150,858		\$150,858						\$0
(15) Total Alberta Infrastructure Revenue	\$4,624,802		\$4,624,802						\$0
Alberta Finance									
(16) Other - Government of Alberta	\$179,005	\$0	\$179,005						\$0
(17) Federal Government and/or First Nations	\$458,281	\$0	\$458,281						\$0
(18) Other Alberta school authorities	\$0	\$0	\$0						\$0
(19) Out of province authorities	\$0	\$0	\$0						\$0
(20) Alberta municipalities	\$0	\$0	\$0						\$0
(21) Instruction resource fees	\$372,551	\$11,873	\$360,678						\$0
(22) Transportation fees	\$423,035	\$0	\$423,035						\$0
(23) Other sales and services	\$47,216	\$0	\$47,216						\$0
(24) Investment income	\$83,482	\$0	\$83,482						\$0
(25) Gifts and donations	\$41,044	\$0	\$41,044						\$0
(26) Rentals of facilities	\$701,381	\$0	\$701,381						\$0
(27) Net school generated funds	\$0	\$0	\$0						\$0
(28) Gains on disposal of capital assets	\$0	\$0	\$0						\$0
(29) Amortization of capital allocations	\$2,099,001	\$0	\$2,099,001						\$0
(30) TOTAL REVENUES	\$45,194,024	\$1,466,688	\$33,727,336	\$0	\$138,953			\$1,507,808	\$1,485,178
EXPENSES									
(31) Certificated salaries	\$27,884,126	\$557,885	\$28,442,011						\$0
(32) Certificated benefits	\$2,845,443	\$78,871	\$2,924,314						\$0
(33) Uncertificated salaries and wages	\$6,436,109	\$447,704	\$6,883,813						\$0
(34) Uncertificated benefits	\$1,878,888	\$123,036	\$2,001,924						\$0
(35) SUB - TOTAL	\$39,044,566	\$1,147,496	\$40,192,062						\$0
(36) Services, contracts & supplies	\$7,884,899	\$249,040	\$8,133,939						\$0
(37) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0						\$0
(38) Net school generated funds	\$0	\$0	\$0						\$0
(39) Capital and debt services	\$101,381	\$0	\$101,381						\$0
Amortization of capital assets									
(40) Supported	\$2,099,002	\$0	\$2,099,002						\$0
(41) Unsupported	\$111,381	\$0	\$111,381						\$0
(42) Total Amortization	\$2,210,383	\$0	\$2,210,383						\$0
Interest on capital debt									
(43) Supported	\$1,226,578	\$0	\$1,226,578						\$0
(44) Unsupported	\$8,473	\$0	\$8,473						\$0
(45) Other interest charges	\$0	\$0	\$0						\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0						\$0
(47) TOTAL EXPENSES	\$45,050,002	\$1,466,688	\$33,583,314						\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$144,022	\$0	\$144,022						\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION Grades 1 to 12						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Total Instruction (Grades 1 to 12)
Certificated salaries	\$16,847,521	\$2,131,366	\$0	\$796,541	\$618,462	\$508,558	\$20,902,448
Certificated benefits	\$2,263,779	\$263,758	\$0	\$100,255	\$76,657	\$131,780	\$2,836,229
Uncertificated salaries and wages	\$585,765	\$848,653	\$0	\$923,870	\$845,700	\$0	\$3,103,988
Uncertificated benefits	\$146,176	\$219,076	\$0	\$225,253	\$221,516	\$0	\$812,021
SUB - TOTAL REMUNERATION	\$19,843,241	\$3,452,853	\$0	\$1,947,919	\$1,762,335	\$638,338	\$27,644,686
Services, contracts & supplies	\$1,697,094	\$235,385	\$0	\$72,898	\$38,051	\$11,222	\$3,163,695
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$701,361	\$0	\$0	\$0	\$0	\$0	\$701,361
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$22,241,696	\$3,688,238	\$0	\$2,020,817	\$1,800,386	\$649,560	\$31,509,942
FTE Certificated				12.9	9.3		
FTE Uncertificated				41.0	36.3		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

INSTRUCTION Grades 1 to 12 Program 2003-2004 Details							
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction	\$22 550 625	\$2 976 694	\$1 212 479	\$426 723	\$27 166 521	\$24 039 883	\$3 126 638
School Admin & Instruction Support Expenses						\$3 600 236	(\$3 600 236)
System Instruction Support Expenses						\$0	\$0
Total Basic Instruction	\$22 550 625	\$2 976 694	\$1 212 479	\$426 723	\$27 166 521	\$27 238 101	(\$66 1 580)
Sub-Programs & Initiatives							
Severely Disabled	\$1 797 203	\$0	\$0		\$1 797 203	\$1 800 386	(\$3 183)
English as a Second Language	\$50 784				\$50 784	\$28 116	\$21 668
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0		\$0		\$0	\$0	\$0
Institutional Programs	\$311 516				\$311 516	\$367 456	(\$55 940)
Sparsity & Distance	\$983 836				\$983 836	\$983 836	\$0
Growth & Density	\$212 472				\$212 472	\$212 472	\$0
Teacher Assistants Program	\$104 543				\$104 543	\$167 243	(\$62 700)
Early Literacy Initiative (K-2)	\$174 272				\$174 272	\$257 016	(\$82 744)
Learning Resources Credit & Resources for the Classroom	\$53 984	\$197 914	\$360 878		\$6 2776	\$912 294	(\$299 518)
Technology Integration	\$224 576		\$0		\$224 576	\$226 896	(\$2 320)
French Language Program & Francisation (all jurisdictions)	\$0		\$0		\$0	\$0	\$0
Home Education	\$1 143		\$0		\$1 143	\$1 434	(\$291)
Total Sub-Programs & Initiatives	\$3 914 329	\$360 878	\$360 878		\$4 473 121	\$3 781 841	\$691 280
INSTRUCTION, GRADES 1-12	\$26 464 954	\$3 174 608	\$1 573 357	\$426 723	\$31 639 642	\$31 509 942	\$129 700

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$28,089,443
Support Block - Transportation	\$938,903
SUBTOTAL	\$29,028,346
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,794,493
Teacher Salary Enhancement	\$1,265,000
Other Alberta Learning revenues (Describe) French Language	\$41,210
Other - Government of Alberta (Excluding Alberta Finance)	\$246,080
Federal government/First Nations	\$179,005
Other Alberta school authorities	\$458,281
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$403,035
Interest on investments	\$47,216
Rentals of facilities	\$41,044
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$2,069,003
School generated funds (Schedule E)	\$1,420,009
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$38,932,722
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.48%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,746,874
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,746,874
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,422,409
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,422,409
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,746,874
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$324,465

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$396,458
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,420,009	
Less: SGF - related cost recoveries (Note 3)	\$718,160	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$701,849	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		\$701,849
Net SGF Available for discretionary spending		\$1,098,307
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$701,361
Unexpended SGF - Closing Balance August 31, 2004		\$396,946
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,008,483	\$608,338	\$0	\$0	\$81,905	\$1,698,726		\$1,698,726
Uncertificated benefits	\$240,796	\$152,717	\$0	\$0	\$19,935	\$413,448		\$413,448
Sub-total Remuneration	\$1,249,279	\$761,055	\$0	\$0	\$101,840	\$2,112,174		\$2,112,174
Contracted Services	\$55,814	\$205,727	\$0	\$528,738	\$0	\$788,279		\$788,279
Supplies	\$113,542	\$273,230	\$0	\$152,913	\$11,385	\$551,070		\$551,070
Electricity			\$666,089			\$666,089		\$666,089
Natural Gas/Heating Fuel			\$437,796			\$437,796		\$437,796
Sewer and Water			\$73,749			\$73,749		\$73,749
Telecommunications			\$15,243			\$15,243		\$15,243
Insurance					\$111,669	\$111,669		\$111,669
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported								
Total Amortization								
Interest on capital debt								
Supported								
Unsupported								
Other interest charges				\$0		\$8,473		\$8,473
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,418,635	\$1,240,012	\$1,192,877	\$679,651	\$224,894	\$4,884,278	\$3,283,122	\$8,177,400
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	26.0	14.5						64,579.8
Contracted Services	0.0	0.0						2,452.6

Notes: All expenses related to activities undertaken to keep the school environment clean and safe

Custodial: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Maintenance: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Utilities & Telecommunications: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Expensed IMP & Portable Relocations: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Facility Planning & Operations Maintenance: All expenses related to supported capital assets amortization and interest on supported capital debt

Supported Capital & Debt Services:

SCHEDULE G to the AFS

[illegible]

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual). No FTE's included for ERI's/Other

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

GRANDE YELLOWHEAD REGIONAL DIVISION 35

Legal Name of School Jurisdiction

3656 - 1 ave., Edson, AB T7E 1B4

Mailing Address

780-723-4471 (phone) and 780-723-2414 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules GRANDE YELLOWHEAD REGIONAL DIVISION 35
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Shirley Mahon

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Dr. Dean Lindquist

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Alvin Johnston

Name

"ORIGINAL SIGNED"

Signature

1-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Mergaert, Rathgeber & Barford

Chartered Accountants

AUDITORS' REPORT

To the Board of Trustees,
Grande Yellowhead Regional Division No. 35

We have audited the statement of financial position of the Grande Yellowhead Regional Division No. 35 as at August 31, 2004, and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004, and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Dated at Edson, Alberta, this 16th day of November, 2004.

Signed: "Original Signed"

Address: #201, 6823 - 4 Avenue

Firm: Mergaert, Rathgeber & Barford

Edson, AB T7E 1S9

Accounting Designation: Chartered Accountants

Telephone No.: (780) 723-4428

Fax No.: (780) 723-2343

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$11,292,775	\$7,943,480
Accounts receivable (net after allowances)	\$1,438,188	\$7,030,597
Prepaid expenses	\$384,600	\$459,825
Other current assets	\$66,572	\$171,868
Total current assets	\$13,182,135	\$15,605,770
School generated assets	\$448,250	\$557,020
Trust assets	\$712,477	\$828,272
Long term accounts receivable	\$37,500	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,035,589	\$1,035,589
Buildings	\$45,254,028	
Less: accumulated amortization	(\$23,891,627)	
Equipment	\$11,255,692	
Less: accumulated amortization	(\$8,370,835)	
Vehicles	\$3,918,882	
Less: accumulated amortization	(\$1,600,492)	
Total capital assets	\$27,601,237	\$21,819,310
TOTAL ASSETS	\$41,981,599	\$38,810,372
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$4,644,789	\$3,317,759
Deferred revenue	\$570,860	\$720,889
Deferred capital allocations	\$3,371,946	\$5,797,129
Current portion of all long term debt	\$781,492	\$953,735
Total current liabilities	\$9,369,087	\$10,789,512
School generated liabilities	\$448,250	\$557,020
Trust liabilities	\$712,477	\$828,272
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$5,396,673	\$6,350,410
Less: Current portion of supported debt	(\$781,492)	(\$953,735)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$15,137,100	\$10,174,752
Total long term liabilities	\$20,913,008	\$16,956,719
TOTAL LIABILITIES	\$30,282,095	\$27,746,231
NET ASSETS		
Unrestricted net assets	\$743,438	\$1,278,176
Operating Reserves	\$3,559,144	\$4,305,602
Accumulated Operating Surplus (Deficit)	\$4,302,582	\$5,583,778
Investment in capital assets	\$7,067,460	\$5,294,146
Capital Reserves	\$329,462	\$186,217
Total Capital Funds	\$7,396,922	\$5,480,363
Total net assets	\$11,699,504	\$11,064,141
TOTAL LIABILITIES AND NET ASSETS	\$41,981,599	\$38,810,372

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$37,002,096	\$36,059,715	\$36,020,757
Alberta Infrastructure	\$3,865,172	\$4,166,535	\$5,012,697
Alberta Finance	\$965,777	\$664,247	\$1,194,929
Other Government of Alberta	\$53,404	\$0	\$117,268
Federal Government and/or First Nations	\$16,672	\$16,000	\$13,735
Other Alberta school authorities	\$124,981	\$127,657	\$115,064
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$9,043	\$0	\$9,040
Instruction resource fees	\$372,011	\$347,190	\$387,470
Transportation fees	\$7,396	\$17,300	\$23,128
Other sales and services	\$288,584	\$175,300	\$308,742
Investment income	\$183,241	\$100,000	\$262,992
Gifts and donations	\$86,472	\$0	\$29,290
Rentals of facilities	\$44,456	\$0	\$18,840
Net school generated funds	\$384,197	\$301,000	\$389,825
Gains on disposal of capital assets	\$34,801	\$0	\$53,458
Amortization of capital allocations	\$1,104,916	\$1,253,947	\$1,405,385
Total Revenues	\$44,543,219	\$43,228,891	\$45,362,520
EXPENSES			
Certificated salaries	\$21,332,288	\$20,710,128	\$20,593,311
Certificated benefits	\$2,326,970	\$2,190,018	\$2,366,256
Uncertificated salaries and wages	\$6,955,415	\$6,221,963	\$7,152,303
Uncertificated benefits	\$1,825,870	\$1,648,472	\$1,757,962
Services, contracts and supplies	\$8,273,412	\$9,557,823	\$9,555,066
Net school generated funds	\$384,197	\$301,000	\$389,825
Capital and debt services			
Amortization of capital assets			
Supported	\$1,104,916	\$1,253,947	\$1,405,385
Unsupported	\$725,902	\$678,293	\$910,800
Total Amortization of capital assets	\$1,830,818	\$1,932,240	\$2,316,185
Interest on capital debt			
Supported	\$965,777	\$664,247	\$1,194,929
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$965,777	\$664,247	\$1,194,929
Other interest charges	\$2,942	\$3,000	\$3,885
Losses on disposal of capital assets	\$10,167	\$0	\$0
Total Expenses	\$43,907,856	\$43,228,891	\$45,329,722
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$635,363	\$0	\$32,898
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	(\$205,242)
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$635,363	\$0	(\$172,344)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$635,363	(\$172,344)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,104,916)	(\$1,405,385)
Total amortization expense	\$1,830,818	\$2,316,185
Gains on disposal of capital assets	(\$34,801)	(\$53,458)
Losses on sale of capital assets	\$10,167	\$0
Changes in accrued accounts:		
Accounts receivable	\$5,592,409	(\$5,786,126)
Prepays and other current assets	\$180,521	(\$23,449)
Long term accounts receivable	(\$37,500)	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,327,030	\$142,449
Deferred revenue	(\$150,029)	(\$452,394)
Employee future benefits	\$0	\$0
Other (describe)		\$0
Total sources (uses) of cash from Operations	\$8,249,062	(\$5,434,522)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,155,650)	(\$552,162)
Equipment	(\$1,908,662)	(\$309,907)
Vehicles	(\$643,928)	(\$654,666)
Net proceeds from disposal of capital assets	\$34,801	\$53,458
Other (describe)	\$43,207	\$0
Total sources (uses) of cash from Investing activities	(\$7,630,232)	(\$1,463,277)
C. FINANCING ACTIVITIES		
Capital allocations received	\$2,730,467	\$6,349,291
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$953,737)	(\$1,767,819)
Add back: supported portion	\$953,735	\$1,191,888
Other (describe)	\$0	\$575,930
Total sources (uses) from Financing activities	\$2,730,465	\$6,349,290
Net sources (uses) of cash equivalents* during year	\$3,349,295	(\$548,509)
Cash Equivalents at the beginning of the year	\$7,943,480	\$8,491,989
Cash Equivalents at the end of the year	\$11,292,775	\$7,943,480

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(6) School Jurisdiction Code		
					(5) School Based		(6) Infrastructure		(7) Board & System Admin.		(8) Transportation		(9) External Services				
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves			
Balance at August 31, 2003	\$11,084,141	\$5,294,146	\$1,278,176	\$4,491,819	\$3,995,036	\$4,033	\$0	\$31,929	\$105,795	\$58,424	\$204,771	\$81,031	\$0	\$0			
Prior period adjustments (debits)																	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Adjusted Balance Aug 31, 2003	\$11,084,141	\$5,294,146	\$1,278,176	\$4,491,819	\$3,995,036	\$4,033	\$0	\$31,929	\$105,795	\$58,424	\$204,771	\$81,031	\$0	\$0			
Surplus(es) of revenue over expenses	\$636,363																
Board funded capital transactions																	
Deposits of non-amortizable assets		\$2,552,590															
Amortization of capital assets	\$0	\$0															
Amortization of capital allocations																	
Disposal of unsupported capital assets		\$1,104,918															
Disposal of supported capital assets-unsupported portion	\$0																
Debt principal payments (unrestricted)	\$0	\$0															
Net transfers to operating reserves		\$0															
Net transfers from operating reserves																	
Net transfers to capital reserves																	
Net transfers from capital reserves																	
Balance at August 31, 2004	\$11,899,504	\$7,067,460	\$743,438	\$3,888,606	\$3,086,344	\$4,970	\$147,945	\$38,385	\$125,795	\$78,406	\$194,000	\$173,272	\$0	\$0			

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003		
Add:	\$5,797,129	\$10,174,752
Capital allocations from:		
AB Infrastructure - New/Modernization Projects	\$2,614,946	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$115,521	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$953,735
Expended capital allocations - current year	(\$5,155,650)	\$5,155,650
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$42,121
Capital allocations amortized to revenue		\$1,104,916
Balance at August 31, 2004	\$3,371,946	\$15,137,100

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

1. Authority and Purpose

The Regional Division delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2003.

The jurisdiction receives block allocations for instruction, support and capital purposes under Regulation 72/95. The regulation limits funding and expenses charged to administration. It permits the jurisdiction to reallocate funding between the instruction and support blocks.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations that are amortized to revenue on the same basis as the capital assets acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when can be reasonably determined.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as a direct increase in the trust assets and liabilities.

b) Capital Assets

Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 10%
Equipment	10% to 20%
Vehicles	10% to 20%

No amortization is recorded in the year of acquisition. Full amortization is recorded in the year of disposal.

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related assets.

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

2. Summary of Significant Accounting Policies - continued

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level.

d) Inventories

Inventories are recorded at the lesser of cost and net realizable value.

e) Vacation Pay and Banked Overtime

Vacation pay and banked overtime are accrued in the period in which the employee earns the benefit.

f) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools to ensure that certain programs are delivered. Because of the difficulty in determining the fair value of these contributed services and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

g) Pension Obligation

The school board participates in a multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual employer contributions for current service of \$299,156 for the year ended August 31, 2004.

The current and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grande Yellowhead Regional Division 35 does not make pension contributions for certificated staff.

h) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

i) Financial Instruments

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 44 of the School Act and Section 5 of the Trustees Act.

j) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

k) Employee Future Benefits

The jurisdiction has accounted for the future cost of employee benefits.

3. Cash and Temporary Investments

	2004	2003
Cash in Bank	1,312,089	2,810,832
Petty Cash Trust	3,010	3,160
Term Deposits*	9,977,676	5,129,488
Total	11,292,775	7,943,480

Cash and Petty Cash accounts receive interest on monthly balances at prime minus 2%.

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

3. **Cash and Temporary Investments (continued)**

*The term deposits are as follows:

Principal	Interest Rate	Maturity Date
222,676	2.08%	Sept 30, 2004
286,000	2.08%	Sept 30, 2004
500,000	2.08%	Sept 30, 2004
34,000	2.08%	Sept 30, 2004
1,120,000	2.08%	Sept 30, 2004
3,315,000	2.08%	Sept 30, 2004
3,000,000	2.13%	Nov 13, 2004
1,500,000	2.09%	April 18, 2005
Total:	9,977,676	

4. **Accounts Receivable**

	2004	2003
Provincial Government	1,154,388	4,086,129
Federal Government	201,740	182,897
Other	82,060	55,783
School Authorities		2,705,788
Total	1,438,188	7,030,597

5. **Prepaid Expenses**

	2004	2003
Insurance	93,493	88,292
Expenses- School/Other	291,107	371,533
Total	384,600	459,825

6. **Other Current Assets**

	2004	2003
Inventory	66,452	171,748
A.M.F.C. Deposit	120	120
Total	66,572	171,868

7. **Trust Assets and Liabilities**

	2004	2003
Carmichael Endowment Fund (Principal)	406,309	406,309
Carmichael Endowment Fund (Interest)	28	4,068
Scholarships	9,183	
Deferred Salary Plan Contributions	119,874	164,596
Student Health Initiative Trust (Banker Board)	177,083	253,299
Total	712,477	828,272

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

7. Trust Assets and Liabilities (continued)

The Carmichael Endowment Fund is held in trust as a scholarship fund for Harry Collinge High School. These funds are held as term certificates at the Royal Bank of Canada. The term deposits are as follows:

Principal	Interest Rate	Maturity Date
80,700	6.05%	September 29, 2004
80,742	6.10%	September 29, 2005
80,700	4.65%	September 29, 2006
2,767	4.65%	September 29, 2006
80,700	3.10%	September 29, 2006
80,700	4.05%	September 29, 2007

Other Scholarships have been established under Board Policy and are administered by Grande Yellowhead. Scholarship Funds have been donated in memory of past employees.

The 'Deferred Salary Plan' contributions are held in trust at the T.D. - Canada Trust.

As the 'Banker' Board for Westview Student Health Initiative Partnership, Grande Yellowhead Regional Division holds the residual funds in trust.

8. Bank Indebtedness

The Board of Trustees established a Borrowing Resolution with ATB Financial, Edson for \$1,250,000 with interest calculated and paid monthly at a rate of 1/4% below prime. The resolution is passed each fall for a one-year term. There was no balance outstanding on the line-of-credit at August 31, 2004. Included in the line-of-credit, Grande Yellowhead has a ATB Mastercard with a credit limit of \$50,000, bearing interest to be calculated at prime + 2%.

9. Accounts Payable and Accrued Liabilities

	2004	2003
Province of Alberta	809,916	612,125
Current Accounts Payable	3,834,873	2,705,634
Total	4,644,789	3,317,759

10. Deferred Revenue

	2004	2003
AB Learning 03/04 Funding	0	45,900
2004 BQRP	239,767	368,440
2005 IMP	203,528	0
Alberta Initiative for School Improvement	52,564	0
Student Health Initiative (Infrastructure Funding)	46,303	46,303
Other	28,698	29,078
Technology Integration Funds (2003)	0	231,168
Total	570,860	720,889

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

11. Long-Term Debt

a) Debenture Debt - Supported

The debentures were acquired to finance buildings constructed by the jurisdiction. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. The debenture debt bears interest at rates varying between 7.375% and 12%. The debt matures over the period 2005 to 2015.

Long Term Debt

	2004			2003
	Total	Current Portion	Long-Term Portion	Long-Term Portion
Alberta Finance	5,396,673	781,492	4,615,181	5,396,675

Principal repayments required in each of the next five fiscal years are as follows:

2004-2005	781,492
2005-2006	776,993
2006-2007	754,493
2007-2008	754,493
2009-2010	754,493

b) Capital Leases - Unsupported

There is currently no capital lease held by the jurisdiction.

12. Deferred Capital Allocations

Capital allocations are received for capital projects initiated by the jurisdiction and approved by Alberta Infrastructure. These allocations are transferred to Unamortized Capital Allocations when capital assets are purchased.

13. Unamortized Capital Allocations

Unamortized capital allocations (UCA) represent the jurisdiction's net investment of capital assets purchased prior to September 1, 1995 and the net book value of supported capital assets subsequently purchased (other than land and equipment). The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account.

14. Reserves

Reserves represent funds allocated for future capital and operating expenditures. The reserves are established and expended in accordance with terms and conditions established by the Board of Trustees.

Operating Reserves	Balance Aug 31, 2003	Contributions During 2004	Utilized During 2004	Balance Aug. 31, 2004
Instruction - Other	617,002	234,398	0	851,400
Instruction - Technology	1,230,782	447,099	1,349,455	328,426
Schools	2,147,252	402,910	633,645	1,916,517
System Administration	105,795	15,000	0	120,795
Transportation	204,771	23,910	34,621	194,060
Operations & Maintenance	0	147,945	0	147,945
Total	4,305,602	1,271,262	2,017,721	3,559,143

Grande Yellowhead Regional Division No. 35
Notes to the Financial Statement
For The Year Ended August 31, 2004

Reserves - Continued

	Balance Aug 31, 2003	Contributions During 2004	Utilized During 2004	Balance Aug. 31, 2004
Capital Reserves				
Equipment	58,424	19,982	0	78,406
Vehicles	127,793	430,338	307,075	251,056
Total	186,217	450,320	307,075	329,462
Total operating and capital reserves	4,491,819	1,706,582	2,324,796	3,873,605

15. **Accrued Professional Improvement leave**

This leave is paid out during a period of professional leave taken by the employee. The remaining amount is to be paid out to the employee upon their leaving employment with the jurisdiction.

17. **Budget Amounts**

The budget was prepared by the school jurisdiction and the Board of Trustees gave approval on June 11, 2003. It is presented for information only and has not been audited.

18. **Comparative Figures**

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to Actual 2003 presentation.

19. **Commitments**

a) Copier Lease

The jurisdiction is committed to the annual lease on copiers with IKON Capital. The jurisdiction entered into a five (5) year lease for copiers placed in the schools and the administration office. Current leases are as follows:

<u>Lease No.</u>	<u>Start Date</u>	<u>Expiry Date</u>	<u>Annual payment</u>
101-0306836-105	June, 2002	June 2007	85,078
101-402189-105	October, 2002	October, 2007	72,965
101-0306528-105	December, 2001	December, 2006	64,576
101-0308170-105	September, 2001	September, 2006	8,015

At September 2004, these copiers are being replaced by Xerox copiers. The agreement between GYRD and Xerox will result in Xerox buying out the existing IKON copier leases. The annual lease for the Xerox photocopier fleet will be \$303,577.

b) Construction Contracts

Contracts have been entered into for the project and construction management of the three major modernization projects. The future commitments on these contracts extend to 2004/2005 as follows:

Project Management	\$60,856
Construction Management	\$17,349

20. **Economic Dependence on Related Third Party**

Grande Yellowhead Regional Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin.	
Alberta Learning allocations									
(1) Instruction block	\$28,185,400	\$1,426,553	\$27,758,847						
(2) Support block	\$4,516,768	\$0	\$0		\$3,000,473			\$1,516,295	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$823,436	\$203,436	\$420,000						
(5) Student Health Initiative (SHi)	\$556,305	\$0	\$507,308						\$40,059
(6) SuperNet Access	\$0	\$0	\$0					\$0	
(7) Teacher Salary Enhancement (TSE)	\$1,244,000	\$59,204	\$1,184,796					\$17,044	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$816,127	\$0	\$816,127		\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$37,002,096	\$1,688,183	\$35,313,913		\$3,000,473			\$1,533,339	\$40,059
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$156,185			\$156,185					
(13) Operations & Maintenance support	\$3,708,987			\$3,708,987					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$3,865,172			\$3,865,172					
(16) Alberta Finance	\$865,777			\$865,777					
(17) Other - Government of Alberta	\$53,404	\$0	\$53,404	\$0	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$16,672	\$0	\$16,672	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$124,981	\$0	\$0	\$0	\$0			\$0	\$124,981
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0,043	\$0	\$0,043	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$372,011	\$19,284	\$352,727						
(23) Transportation fees	\$7,396				\$7,396				
(24) Other sales and services	\$288,584	\$0	\$288,584	\$0	\$0			\$3,300	\$0
(25) Investment income	\$183,241	\$5,283	\$188,524	\$6,778	\$14,484			\$7,228	\$0
(26) Gifts and donations	\$86,472	\$0	\$86,472	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$44,456	\$0	\$44,456	\$44,456	\$154			\$0	\$0
(28) Net school generated funds	\$384,197	\$0	\$384,197	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$34,801	\$0	\$34,801	\$34,801	\$30,151			\$0	\$0
(30) Amortization of capital allocations	\$1,104,916		\$7,378	\$1,097,538	\$0			\$0	\$0
(31) TOTAL REVENUES	\$44,543,219	\$1,715,750	\$32,828,464	\$5,932,070	\$3,052,658			\$1,003,867	\$174,040
EXPENSES									
(32) Certificated salaries	\$21,332,288	\$993,411	\$19,947,912					\$390,965	\$0
(33) Certificated benefits	\$2,326,970	\$113,972	\$2,212,998					\$33,731	\$0
(34) Uncertificated salaries and wages	\$6,955,415	\$288,530	\$4,710,241	\$983,448	\$82,651	\$80,752		\$334,496	\$8,196
(35) Uncertificated benefits	\$1,825,870	\$87,385	\$1,738,485	\$150,689	\$22,774	\$22,774		\$83,524	\$2,068
(36) SUB - TOTAL	\$32,440,543	\$1,483,398	\$28,102,573	\$914,138	\$1,085,940	\$103,526		\$946,242	\$8,252
(37) Services, contracts & supplies	\$8,273,412	\$74,717	\$2,838,201	\$2,882,564	\$1,709,184	\$142,983		\$449,955	\$165,188
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$52,700	\$16,350	(\$20,000)	(\$89,050)	\$0		\$40,000	\$0
(39) Net school generated funds	\$384,197	\$0	\$384,197	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,104,916	\$0	\$57,378	\$1,047,538	\$0	\$0		\$0	\$0
(41) Unsupported	\$725,902	\$0	\$283,185	\$152,868	\$289,887	\$0		\$19,982	\$19,982
(42) Total Amortization	\$1,830,818	\$0	\$320,563	\$1,200,406	\$289,887	\$19,982		\$19,982	\$0
Interest on capital debt									
(43) Supported	\$865,777	\$0	\$0	\$865,777	\$0	\$0		\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(45) Other interest charges	\$2,942	\$0	\$2,942	\$7	\$14	\$14		\$0	\$0
(46) Losses on disposal of capital assets	\$10,167	\$0	\$0	\$7,981	\$2,186	\$0		\$0	\$0
(47) TOTAL EXPENSES	\$43,007,856	\$1,610,835	\$31,684,783	\$5,860,875	\$2,998,181	\$246,509		\$1,352,553	\$174,040
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$635,363	\$104,915	\$400,051	\$71,195	\$54,407			\$4,705	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	
Certificated salaries	\$17,286,642	\$1,627,863	\$650,891	\$0	\$0	\$375,148	\$19,947,912
Certificated benefits	\$1,931,037	\$171,447	\$95,059	\$0	\$0	\$11,019	\$2,179,267
Uncertificated salaries and wages	\$1,054,692	\$849,935	\$74,235	\$288,533	\$2,143,896	\$0	\$3,079,550
Uncertificated benefits	\$265,708	\$235,893	\$19,351	\$72,009	\$604,628	\$0	\$1,256,153
SUB - TOTAL REMUNERATION	\$20,538,079	\$2,885,138	\$809,536	\$360,542	\$2,748,524	\$386,167	\$28,102,573
Services, contracts & supplies	\$2,183,580	\$225,082	\$123,974	\$50,860	\$97,621	\$33,833	\$2,838,201
Cost recoveries & transfers	\$16,350	\$0	\$0	\$0	\$0	\$0	\$16,350
Net school generated funds	\$384,197						\$384,197
Amortization of capital assets							
Supported	\$57,376	\$0	\$0				\$57,376
Unsupported	\$283,165	\$0	\$0				\$283,165
Total Amortization	\$320,541	\$0	\$0				\$320,541
Interest on capital debt							
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$0	\$0				\$0
Other interest charges	\$2,921	\$0					\$2,921
Losses on disposal of capital assets	\$0	\$0					\$0
TOTAL EXPENSES	\$23,445,668	\$3,110,220	\$933,510	\$411,402	\$2,836,145	\$420,000	\$31,664,783
FTE Certificated				0.0	0.0		
FTE Uncertificated				8.3	57.6		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	INSTRUCTION BLOCK REALLOCATION	NON-ALBERTA LEARNING REVENUE	ALBERTA LEARNING OTHER REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION						
Basic Instruction											
School Admin & Instruction Support Expenses	\$22,986,351	\$2,630,213	\$2,630,213	\$1,032,042	\$0	\$23,085,884	\$26,648,606	\$0			\$3,562,722
System Instruction Support Expenses							\$3,110,220				(\$3,110,220)
Total Basic Instruction	\$22,986,351	\$2,630,213	\$2,630,213	\$1,032,042	\$0	\$27,129,614	\$26,648,606	\$0	\$1,032,042	\$0	(\$481,008)
Sub-Programs & Initiatives											
Severely Disabled	\$2,617,325		\$180,851	\$0		\$2,836,145	\$2,798,176				(\$37,969)
English as a Second Language	\$16,192					\$16,192	\$16,192				\$0
Enhanced Opportunities	\$59,160					\$59,160	\$59,160				(\$11,863)
First Nations, Metis, and Inuit Education	\$107,214			\$9,043		\$116,257	\$116,257				\$2,649
Institutional Programs	\$0					\$0	\$0				\$0
Sparsity & Distance	\$893,269					\$893,269	\$893,269				\$893,269
Growth & Density	\$199,954					\$199,954	\$199,954				\$199,954
Teacher Assistants Program	\$104,288					\$104,288	\$104,288				\$197,325
Early Literacy Initiative (K-2)	\$187,189					\$187,189	\$187,189				(\$59,673)
Learning Resources Credit & Resources for the Classroom	\$34,804		\$101,121	\$352,717		\$486,642	\$486,642				\$101,121
Technology Integration	\$458,516			\$0		\$458,516	\$458,516				(\$100)
French Language Program & Francisation (all jurisdictions)	\$59,138			\$0		\$59,138	\$59,138				\$66,740
Home Education	\$35,447			\$0		\$35,447	\$35,447				\$41,137
Total Sub-Programs & Initiatives	\$4,772,486		\$2,912,185	\$1,393,802	\$0	\$4,535,169	\$5,416,228	\$0	\$1,393,802	\$0	\$881,059
INSTRUCTION, GRADES 1-12	\$27,758,847		\$2,912,185	\$1,393,802	\$0	\$31,664,783	\$32,064,834	\$0	\$1,393,802	\$0	\$400,051

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$28,726,884
Support Block - Transportation	\$3,000,473
SUBTOTAL	\$31,727,357
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,708,987
Teacher Salary Enhancement	\$1,244,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$53,404
Federal government/First Nations	\$16,672
Other Alberta school authorities	\$124,981
Out of province local authorities	\$0
Alberta municipalities	\$9,043
Other sales and services	\$288,584
Interest on investments	\$183,241
Rentals of facilities	\$44,456
Gains on disposal of capital assets	\$34,801
Amortization of capital allocations	\$1,104,916
School generated funds (Schedule E)	\$893,161
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$39,433,603
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.39%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE. EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%. Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,731,135
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,731,135
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,599,162
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$15,000
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,614,162
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,731,135
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$116,973

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$557,020
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$893,161	
Less: SGF - related cost recoveries (Note 3)	\$710,139	
- capitalized at the District level (Note 4)	\$75,345	
Net Total	\$107,677	
Plus: Donations Received (Note 5)	\$167,750	
Equals: Net Additions to SGF		\$275,427
Net SGF Available for discretionary spending		\$832,447
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$384,197
Unexpended SGF - Closing Balance August 31, 2004		\$448,250
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$349,041	\$135,587	\$13,356	\$165,465	\$663,449		\$663,449
Uncertificated benefits	\$0	\$80,269	\$25,392	\$5,724	\$39,304	\$150,689		\$150,689
Sub-total Remuneration	\$0	\$429,310	\$160,979	\$19,080	\$204,769	\$814,138		\$814,138
Contracted Services	\$1,024,586	\$125,842	\$0	\$93,645	\$57,648	\$1,301,721		\$1,301,721
Supplies	\$3,895	\$36,686	\$52,757	\$43,460	\$35,932	\$172,730		\$172,730
Electricity			\$715,452			\$715,452		\$715,452
Natural Gas/Heating Fuel			\$476,973			\$476,973		\$476,973
Sewer and Water			\$114,508			\$114,508		\$114,508
Telecommunications			\$20,255			\$20,255		\$20,255
Insurance					\$90,925	\$90,925		\$90,925
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,047,540	\$1,047,540
Unsuported								
Total Amortization							\$1,047,540	\$1,047,540
Interest on capital debt								
Supported							\$985,777	\$985,777
Unsuported							\$0	\$0
Other interest charges							\$7	\$7
Losses on disposal of capital assets								
Cost recoveries & transfers						\$7,981		\$7,981
TOTAL EXPENSES	\$1,028,481	\$591,838	\$1,540,924	\$156,185	\$389,274	\$3,847,558	\$2,013,317	\$5,860,875
SQUARE METRES								
School Buildings								75,677.0
Non School Buildings								2,694.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	13.9						
Contracted Services	13.0	0.0						

Notes: All expenses related to activities undertaken to keep the school environment clean and safe

Custodial: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Maintenance: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Utilities & Telecommunications: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Expensed IMP & Portable Relocations: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Facility Planning & Operations Maintenance: All expenses related to supported capital assets amortization and interest on supported capital debt

Supported Capital & Debt Services:

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

GRASSLANDS REGIONAL DIVISION No. 6

Legal Name of School Jurisdiction

745 - 2nd Ave East Brooks, Alberta T1R 1L2

Mailing Address

Telephone - 403-793-6700 Fax - 403 362-8225

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules GRASSLANDS REGIONAL DIVISION No. 6
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Gordon Krinke

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Cal Cosh

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Lee Ann Woods

Name

"ORIGINAL SIGNED"

Signature

29-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

GRASSLANDS REGIONAL DIVISION NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

AUDITORS' REPORT

To the Board of Trustees of the
Grasslands Regional Division No. 6

We have audited the statement of financial position of the Grasslands Regional Division No. 6 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations and its cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lethbridge, Alberta

November 17, 2004

Young Parkyn M. Nab LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31

(in dollars)

	2004	2003 Restated
ASSETS		
Current assets		
Cash and temporary investments	\$4,973,909	\$5,186,513
Accounts receivable (net after allowances)	\$1,484,158	\$1,162,166
Prepaid expenses	\$36,183	\$9,134
Other current assets	\$104,823	\$91,626
Total current assets	\$6,599,073	\$6,449,439
School generated assets	\$437,769	\$448,868
Trust assets	\$395,809	\$351,762
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$488,355	\$488,355
Buildings	\$29,669,818	
Less: accumulated amortization	(\$16,046,820)	\$13,622,998
Equipment	\$1,034,629	\$14,560,597
Less: accumulated amortization	(\$577,954)	
Vehicles	\$3,232,099	\$456,675
Less: accumulated amortization	(\$1,783,846)	\$457,090
Total capital assets	\$16,016,281	\$1,426,327
TOTAL ASSETS	\$23,448,932	\$16,932,369
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,825,326	\$1,608,096
Deferred revenue	\$889,385	\$1,054,449
Deferred capital allocations	\$243,943	\$237,199
Current portion of all long term debt	\$606,676	\$606,676
Total current liabilities	\$3,565,330	\$3,506,420
School generated liabilities	\$437,769	\$448,868
Trust liabilities	\$395,809	\$351,762
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$6,954,411	\$7,561,087
Less: Current portion of supported debt	(\$606,676)	(\$606,676)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$5,464,250	\$5,730,016
Total long term liabilities	\$12,645,563	\$13,485,057
TOTAL LIABILITIES	\$16,210,893	\$16,991,477
NET ASSETS		
Unrestricted net assets	\$947,191	\$788,709
Operating Reserves	\$2,509,002	\$2,577,084
Accumulated Operating Surplus (Deficit)	\$3,456,193	\$3,365,793
Investment in capital assets	\$3,597,618	\$3,641,265
Capital Reserves	\$184,228	\$183,903
Total Capital Funds	\$3,781,846	\$3,825,168
Total net assets	\$7,238,039	\$7,190,961
TOTAL LIABILITIES AND NET ASSETS	\$23,448,932	\$24,182,438

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$24,299,498	\$23,606,025	\$23,434,817
Alberta Infrastructure	\$2,950,828	\$2,655,565	\$3,038,485
Alberta Finance	\$681,230	\$692,875	\$779,220
Other Government of Alberta	\$102,043	\$95,800	\$4,800
Federal Government and/or First Nations	\$607,033	\$679,945	\$673,291
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$40,771	\$2,200	\$2,250
Instruction resource fees	\$289,196	\$287,085	\$276,125
Transportation fees	\$0	\$0	\$0
Other sales and services	\$185,941	\$66,030	\$120,034
Investment income	\$134,929	\$150,000	\$151,416
Gifts and donations	\$11,726	\$0	\$15,068
Rentals of facilities	\$121,385	\$76,000	\$82,288
Net school generated funds	\$316,005	\$200,000	\$234,137
Gains on disposal of capital assets	\$9,796	\$0	\$0
Amortization of capital allocations	\$872,442	\$629,175	\$808,324
Total Revenues	\$30,622,823	\$29,140,700	\$29,620,255
EXPENSES			
Certificated salaries	\$14,835,521	\$14,669,205	\$14,616,132
Certificated benefits	\$1,490,988	\$1,477,095	\$1,607,565
Uncertificated salaries and wages	\$5,909,160	\$5,490,740	\$5,399,126
Uncertificated benefits	\$983,132	\$829,215	\$951,360
Services, contracts and supplies	\$5,131,241	\$4,944,775	\$5,140,972
Net school generated funds	\$316,005	\$200,000	\$234,137
Capital and debt services			
Amortization of capital assets			
Supported	\$872,442	\$629,175	\$808,324
Unsupported	\$354,252	\$350,000	\$358,213
Total Amortization of capital assets	\$1,226,694	\$979,175	\$1,166,537
Interest on capital debt			
Supported	\$681,230	\$692,875	\$738,216
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$681,230	\$692,875	\$738,216
Other interest charges	\$1,774	\$3,000	\$1,685
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$30,575,745	\$29,286,080	\$29,855,730
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$47,078	(\$145,380)	(\$235,475)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$47,078	(\$145,380)	(\$235,475)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$47,078	(\$235,474)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$872,442)	(\$808,324)
Total amortization expense	\$1,226,694	\$1,166,537
Gains on disposal of capital assets	(\$9,796)	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$321,992)	(\$219,265)
Prepays and other current assets	(\$40,246)	\$1,078
Long term accounts receivable	\$0	
Long term investments	\$0	
Payables and accrued liabilities	\$217,230	(\$983,364)
Deferred revenue	(\$165,064)	(\$651,219)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$81,462	(\$1,730,031)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	(\$1,347,788)
Equipment	(\$132,119)	(\$140,196)
Vehicles	(\$203,020)	(\$251,225)
Net proceeds from disposal of capital assets	\$34,329	\$0
Other (describe)		\$0
Total sources (uses) of cash from Investing activities	(\$300,810)	(\$1,739,209)
C. FINANCING ACTIVITIES		
Capital allocations received	\$6,744	\$20,000
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$606,676)	(\$748,775)
Add back: supported portion	\$606,676	\$613,775
Other (describe)	\$0	\$135,000
Total sources (uses) from Financing activities	\$6,744	\$20,000
Net sources (uses) of cash equivalents* during year	(\$212,604)	(\$3,449,240)
Cash Equivalents at the beginning of the year	\$5,186,513	\$8,635,753
Cash Equivalents at the end of the year	\$4,973,909	\$5,186,513

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(13) Unrestricted Operating Reserves	(14) Unrestricted Capital Reserves
					(6) (in dollars)											
					(7) School Based		(8) Infrastructure		(9) Board & System Admin		(10) Transportation		(11) External Services			
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves		
Balance at August 31, 2003	\$7,190,961	\$3,641,265	\$788,709	\$2,760,987	\$1,937,073	\$0	\$95,709	\$0	\$283,380	\$892	\$280,922	\$183,011	\$0	\$0		
Prior period adjustments (describe)																
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Balance, Aug.31, 2003	\$7,190,961	\$3,641,265	\$788,709	\$2,760,987	\$1,937,073	\$0	\$95,709	\$0	\$283,380	\$892	\$280,922	\$183,011	\$0	\$0		
Surplus(def) of revenue over expenses	\$47,078		\$47,078													
Board funded capital transactions		\$335,139	(\$301,134)	(\$34,005)	\$0	(\$34,005)	\$0		\$0	\$0	\$0	\$0	\$0	\$0		
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		(\$1,226,694)	\$1,226,694													
Amortization of capital allocations		\$872,442	(\$872,442)													
Disposal of unsupported capital assets	\$0	(\$24,534)	(\$9,796)	\$34,330		\$34,005			\$0	\$0		\$325				
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0				\$0		\$0		\$0		
Debt principal payments (unsupported)		\$0	\$0													
Net transfers to operating reserves			(\$66,469)	\$66,469	\$0		\$0		\$66,469		\$0			\$0		
Net transfers from operating reserves			\$134,551	(\$134,551)	(\$49,487)		(\$35,573)		\$0		(\$49,491)			\$0		
Net transfers to capital reserves			\$0	\$0		\$0				\$0		\$0		\$0		
Net transfers from capital reserves			\$0	\$0		\$0				\$0		\$0		\$0		
Balance at August 31, 2004	\$7,238,039	\$3,597,618	\$947,191	\$2,693,230	\$1,687,586	\$0	\$60,136	\$0	\$349,848	\$892	\$211,431	\$183,336	\$0	\$0		

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003 Restated Balance	\$237,199	\$5,730,016
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$6,744	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$606,676
Expended capital allocations - current year	\$0	\$0
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		
Capital allocations amortized to revenue		\$872,442
Balance at August 31, 2004	\$243,943	\$5,464,250

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

GRASSLANDS REGIONAL DIVISION NO. 6

NOTES TO FINANCIAL STATEMENTS For the Year Ended August 31, 2004

1. Authority and purpose

The School Division delivers education programs under the authority of the School Act, Chapter S - 3, Statutes of Alberta, January 1, 2002 and is non-taxable under the Income Tax Act.

The School Division receives block allocations for instruction, support and capital purposes under Regulation 72/95. The Regulation limits funding and expenses for administration. It permits the School Division within specified limits, to reallocate funding between the instruction and support blocks.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contribution in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b) Temporary investments

Temporary investments are valued at cost. Accrued interest is recorded as it is earned.

c) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain consulting expenses fall into this category.

d) Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the basis of the most recent invoice.

GRASSLANDS REGIONAL DIVISION NO. 6

NOTES TO FINANCIAL STATEMENTS

For the Year Ended August 31, 2004

2. Summary of significant accounting policies (continued)

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided for on a straight-line basis over the assets' estimated useful lives using the following annual rates:

Buildings	25 to 40 years
Equipment and furnishings	5 to 10 years
Vehicles and buses	10 to 13 years

There is no amortization charged in the year of acquisition.

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

f) School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

g) Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

h) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Grasslands School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$137,808 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

i) Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

j) Financial instruments

The School Division's financial instruments consist of cash and temporary investments, accounts receivable, trust assets, accounts payable, accrued liabilities, trust liabilities and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The School Division has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

GRASSLANDS REGIONAL DIVISION NO. 6**NOTES TO FINANCIAL STATEMENTS****For the Year Ended August 31, 2004**

2. Summary of significant accounting policies (continued)**k) Operating and capital reserves**

Reserves are established at the discretion of the Board of Trustees of the School Division, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3. Accounts receivable

	2004	2003
Province of Alberta	\$ 1,335,468	\$ 960,393
Federal Government	112,524	92,967
Other	36,166	108,806
	<u>\$ 1,484,158</u>	<u>\$ 1,162,166</u>

4. Bank indebtedness

The School Division has negotiated a line of credit in the amount of \$2,000,000 that bears interest at the bank prime rate minus .25%. This line of credit is secured by a borrowing bylaw and a promissory note. There was no balance outstanding on the line of credit at August 31, 2004.

5. Accounts payable and liabilities

	2004	2003
Province of Alberta	\$ 146,609	\$ 614,123
Other Trade Payables and Accrued Liabilities	1,678,717	993,973
	<u>\$ 1,825,326</u>	<u>\$ 1,608,096</u>

6. Deferred revenue

	2004	2003
One-time funding for ESL project – delayed start, final year	\$ 86,177	\$ 88,791
2003 budget one-time grant for transportation	-	26,400
Alberta initiative for school improvement	79,805	50,088
Infrastructure maintenance program	578,047	831,963
Other	145,276	57,207
	<u>\$ 889,385</u>	<u>\$ 1,054,449</u>

GRASSLANDS REGIONAL DIVISION NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

7. Deferred capital allocations

Capital allocations received for qualifying capital projects initiated by the School Division are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized on a basis consistent with the capital asset that the allocation funded.

8. Trust assets and liabilities

These balances represent cash that is held in trust by the School Division for the following areas:

	2004	2003
Deferred salary leave plan	\$ -	\$ 62,500
Scholarship trusts	216,771	173,517
Student health initiative trust (SHI Banker Board)	179,038	115,745
	<u>\$ 395,809</u>	<u>\$ 351,762</u>

9. Long-term debt

a) Debenture debt - supported

The debenture debt bears interest at rates varying between 7.625% and 11.625%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2004-2005	\$ 606,676	624,900	1,231,576
2005-2006	606,676	568,571	1,175,247
2006-2007	568,337	512,242	1,080,579
2007-2008	489,192	460,262	949,454
2008-2009	476,327	416,008	892,335
2009 to maturity	4,207,203	2,024,466	6,231,669
	<u>\$ 6,954,411</u>	<u>\$ 4,606,449</u>	<u>\$ 11,560,860</u>

b) Capital leases - unsupported

There are currently no capital leases held by the School Division.

10. Unamortized capital allocations

Unamortized capital allocations (UCA) represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debenture capital funds, as the principal is repaid.

GRASSLANDS REGIONAL DIVISION NO. 6
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

11. Economic dependence on related third party

The Grasslands School Division's primary source of income is from the Alberta Government. The School Division's ability to continue viable operations is dependent on this funding.

12. Budget amounts

The budget was prepared by the School Division management with Board of Trustees approval. It is presented for information purposes only and has not been audited.

13. Comparative figures

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to Actual 2004 presentation.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$15,428,176	\$1,478,757	\$17,960,421						
(2) Support block	\$2,869,904	\$0	\$0		\$1,921,137			\$1,248,767	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AIS)	\$401,483	\$0	\$401,483						\$0
(5) Student Health Initiative (SHI)	\$254,618	\$0	\$254,618						\$0
(6) SuperNet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$493,000	\$35,000	\$528,000						\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0						\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0						\$0
(10) Other Alberta Learning revenues	\$484,315	\$0	\$484,315		\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$24,399,498	\$1,913,757	\$18,501,837	\$0	\$1,921,137			\$1,248,767	\$0
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$473,275			\$473,275					
(13) Operations & Maintenance support	\$2,477,553			\$2,477,553					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$2,950,828			\$2,950,828					
(16) Alberta Finance	\$891,230			\$891,230					\$0
(17) Other - Government of Alberta	\$102,043	\$0	\$47,770	\$4,800	\$8,669			\$0	\$41,004
(18) Federal Government and/or First Nations	\$807,033	\$0	\$807,033	\$0	\$0			\$331,050	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$40,771	\$0	\$38,521	\$2,250	\$0			\$0	\$0
(22) Instruction resource fees	\$281,186	\$6,556	\$287,641					\$0	\$0
(23) Transportation fees	\$161,941	\$4,715	\$166,656	\$1,317	\$492			\$2,356	\$0
(24) Other sales and services	\$734,329	\$0	\$734,329	\$325	\$0			\$42,115	\$0
(25) Investment income	\$11,726	\$0	\$11,726	\$0	\$0			\$0	\$0
(26) Gifts and donations	\$321,260	\$0	\$321,260	\$71,126	\$0			\$0	\$0
(27) Rentals of facilities	\$118,005	\$0	\$118,005	\$0	\$0			\$0	\$0
(28) Net school generated funds	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$472,442	\$0	\$472,442	\$872,442	\$0			\$0	\$0
(31) TOTAL REVENUES	\$30,822,873	\$1,943,319	\$21,983,551	\$4,580,543	\$1,921,137			\$1,336,368	\$41,004
EXPENSES									
(32) Certificated salaries	\$14,835,521	\$815,292	\$13,602,228				\$329,242	\$329,242	\$48,758
(33) Certificated benefits	\$1,480,949	\$87,747	\$1,393,202				\$39,732	\$39,732	\$0
(34) Uncertificated salaries and wages	\$5,509,160	\$144,093	\$5,365,067	\$1,084,437	\$820,873	\$87,283	\$197,845	\$485,128	\$0
(35) Uncertificated benefits	\$882,132	\$101,519	\$780,613	\$21,469	\$38,917	\$13,826	\$35,337	\$108,163	\$0
(36) SUB - TOTAL	\$23,718,801	\$1,528,651	\$22,190,150	\$1,300,268	\$979,592	\$101,109	\$352,156	\$983,265	\$107,286
(37) Services, contracts & supplies	\$158,114	\$158,114	\$0	\$1,781,360	\$640,800	\$64,714	\$254,940	\$1,191,814	\$102,463
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$24,032	\$18,955	\$0	\$0	\$0	\$168,744
(39) Net school generated funds	\$158,114	\$158,114	\$0	\$1,781,360	\$640,800	\$64,714	\$254,940	\$1,191,814	\$102,463
Capital and debt services									
Amortization of capital assets	\$316,005	\$0	\$316,005	\$0	\$0	\$0	\$0	\$0	\$0
(40) Supported	\$472,442	\$0	\$472,442	\$0	\$0		\$0	\$0	\$0
(41) Unsupported	\$154,552	\$0	\$154,552	\$0	\$0		\$0	\$0	\$0
(42) Total Amortization	\$626,994	\$0	\$626,994	\$0	\$0		\$0	\$0	\$0
Interest on capital debt	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(43) Supported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(45) Other interest charges	\$1,714	\$0	\$1,714	\$0	\$0		\$1,714	\$1,714	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(47) TOTAL EXPENSES	\$25,575,445	\$1,616,146	\$23,959,299	\$4,081,067	\$1,867,321	\$155,083	\$1,336,368	\$1,248,767	\$41,004
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$477,778	\$327,173	\$150,605	\$499,476	\$59,816		\$0	\$81,601	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)					
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement
Certificated salaries	\$11,224,619	\$1,230,081		\$591,777	\$553,751	\$202,001
Certificated benefits	\$1,131,598	\$116,715		\$63,003	\$56,995	\$18,709
Uncertificated salaries and wages	\$622,840	\$689,597		\$295,325	\$1,068,299	\$79,105
Uncertificated benefits	\$128,614	\$119,729		\$44,062	\$153,877	\$10,307
SUB - TOTAL REMUNERATION	\$13,107,671	\$2,156,122	\$0	\$954,167	\$1,832,922	\$310,122
Services, contracts & supplies	\$1,235,358	\$417,210		\$49,353	\$72,614	\$127,612
Cost recoveries & transfers	\$2,068,069	(\$353,639)		\$23,810	(\$2,133)	\$2,951
Net school generated funds	\$316,005					
Amortization of capital assets						
Supported	\$0	\$0				\$0
Unsuported	\$68,308	\$116,715				\$68,308
Total Amortization	\$68,308	\$0	\$0	\$0	\$0	\$68,308
Interest on capital debt						
Supported	\$0	\$0				\$0
Unsuported	\$0	\$0				\$0
Other interest charges	\$0	\$0				\$0
Losses on disposal of capital assets	\$0	\$0				\$0
TOTAL EXPENSES	\$15,028,411	\$2,219,693	\$0	\$1,067,330	\$1,903,103	\$440,685
PTE Certificated				17.0	8.4	
PTE Uncertificated				81.1		
						\$20,913,840

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	INSTRUCTION BLOCK REALLOCATION	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE				
Basic Instruction	\$14,495,483	\$1,727,566	\$1,297,073	\$0	\$17,520,122	\$15,402,536	\$2,219,693	\$0	\$2,117,586
School Admin & Instruction Support Expenses									
System Instruction Support Expenses									
Total Basic Instruction	\$14,495,483	\$1,727,566	\$1,297,073	\$0	\$17,520,122	\$17,520,122	\$17,520,122	\$17,520,122	(\$102,107)
Sub-Programs & Initiatives									
Severely Disabled	\$1,629,413	\$87,498	\$0		\$1,716,911	\$1,903,103			(\$186,192)
English as a Second Language	\$152,022				\$152,022	\$122,125			\$29,897
Enhanced Opportunities	\$0				\$0	\$0			\$0
First Nations, Metis, and Inuit Education	\$49,412		\$0		\$49,412	\$46,713			\$2,699
Institutional Programs	\$0				\$0	\$0			\$0
Sparsity & Distance	\$775,697				\$775,697				\$775,697
Growth & Deniality	\$92,545				\$92,545				\$92,545
Teacher Assistants Program	\$68,680				\$68,680	\$148,810			(\$80,120)
Early Literacy Initiative (K-2)	\$119,168				\$119,168	\$182,000			(\$62,832)
Learning Resources Credit & Resources for the Classroom	\$136,906	\$128,352	\$282,641		\$447,059	\$680,537			(\$233,478)
Technology Integration	\$136,906		\$0		\$136,906	\$208,160			(\$71,254)
French Language Program & Francisation (all jurisdictions)	\$3,656		\$0		\$3,656	\$163			\$3,493
Homes Education	\$1,143		\$0		\$1,143	\$0			\$1,143
Total Sub-Programs & Initiatives	\$3,064,936	\$1,943,416	\$282,641	\$0	\$5,294,003	\$3,291,611	\$20,913,840	\$20,913,840	\$271,818
INSTRUCTION, GRADES 1-12	\$17,560,421	\$1,943,416	\$1,579,714	\$0	\$21,083,551	\$20,913,840	\$20,913,840	\$20,913,840	\$169,711

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$19,302,252
Support Block - Transportation		\$1,623,137
SUBTOTAL		\$20,925,389
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$2,477,553
Teacher Salary Enhancement		\$850,000
Other Alberta Learning revenues (Describe) RCFA and Revenue used November Funding		\$484,315
Other - Government of Alberta (Excluding Alberta Finance)		\$102,043
Federal government/First Nations		\$607,033
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$40,771
Other sales and services		\$185,941
Interest on investments		\$134,929
Rentals of facilities		\$121,385
Gains on disposal of capital assets		\$9,796
Amortization of capital allocations		\$872,442
School generated funds (Schedule E)		\$1,092,324
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$27,903,921
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.34%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$1,490,069
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$1,490,069
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,294,435
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$66,469
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$1,360,904
Maximum Expense Limit for Board & System Administration (Step 3)		\$1,490,069
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$129,165

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$448,868
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,092,324	
Less: SGF - related cost recoveries (Note 3)	\$845,136	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$247,188	
Plus: Donations Received (Note 5)	\$57,718	
Equals: Net Additions to SGF		\$304,906
Net SGF Available for discretionary spending		\$753,774
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$316,005
Unexpended SGF - Closing Balance August 31, 2004		\$437,769
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS **Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$703,131	\$291,776	\$0	\$0	\$99,500	\$1,094,407		\$1,094,407
Uncertificated benefits	\$131,278	\$63,423	\$0	\$0	\$20,188	\$214,889		\$214,889
Sub-total Remuneration	\$834,409	\$355,199	\$0	\$0	\$119,688	\$1,309,296		\$1,309,296
Contracted Services	\$0	\$62,760	\$0	\$473,275	\$0	\$536,035		\$536,035
Supplies	\$80,296	\$197,130	\$0	\$0	\$21,503	\$298,929		\$298,929
Electricity			\$454,418			\$454,418		\$454,418
Natural Gas/Heating Fuel			\$288,592			\$288,592		\$288,592
Sewer and Water			\$45,739			\$45,739		\$45,739
Telecommunications			\$6,315			\$6,315		\$6,315
Insurance					\$171,357	\$171,357		\$171,357
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported								
Total Amortization								
Interest on capital debt							\$872,442	\$872,442
Supported						\$60,776		\$60,776
Unsupported						\$60,776		\$933,218
Other interest charges								
Losses on disposal of capital assets								
Cost recoveries & transfers								
TOTAL EXPENSES	\$914,705	\$615,089	\$775,064	\$473,275	\$312,548	\$3,127,425	\$1,553,672	\$4,681,097
SQUARE METRES								
School Buildings							\$681,230	\$681,230
Non School Buildings						\$0		\$0
STAFF FTE'S (Completion Optional for 2003/2004)						\$0		\$0
Board Employed	22.6	8.5				\$0		\$0
Contracted Services	0.0	0.0				(\$24,032)		(\$24,032)
Notes:								
Custodial:								
Maintenance:								
Utilities & Telecommunications:								
Expensed IMP & Portable Relocations:								
Facility Planning & Operations Maintenance:								
Supported Capital & Debt Services:								

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BOPR), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name: Gordon Kinske	1.0	\$17,960	\$3,586	\$0	\$0		\$21,546	\$4,238
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name: Robert Black	1.0	\$13,841	\$0	\$0	\$0		\$13,841	\$241
Name: Jo-Lee Godfrey	1.0	\$17,534	\$4,034	\$0	\$0		\$21,568	\$6,219
Name: Lee Pickett	1.0	\$14,035	\$3,004	\$0	\$0		\$17,039	\$2,589
Name: Shaun Roth	1.0	\$13,010	\$98	\$0	\$0		\$13,108	\$593
Name: Max Tateson	1.0	\$10,903	\$3,104	\$0	\$0		\$14,007	\$230
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name:	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	6.0	\$87,283	\$13,828	\$0	\$0		\$101,109	\$14,110
Superintendent	1.0	\$115,000	\$11,570	\$0	\$0		\$126,570	\$15,560
Name: Cal Coth	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Superintendent	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Secretary/Treasurer	1.0	\$94,000	\$15,904	\$0	\$0		\$109,904	\$9,214
Name: Lee Ann Woods	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Certificated Salaries	208.2	\$14,369,358	\$1,479,418	\$0	\$0	\$351,163	\$16,199,939	
Uncertificated Salaries & Wages	256.0	\$5,727,877	\$953,402	\$0	\$0	\$0	\$6,681,279	
TOTALS		\$20,393,518	\$2,474,120	\$0	\$0	\$351,163	\$23,218,801	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

The Greater North Central Francophone Education Region No. 2

Legal Name of School Jurisdiction

301, 8627 - 91 Street, Edmonton, Alberta, T6C 3N1

Mailing Address

Telephone: (780) 468-6440 and Fax: (780) 440-1631

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules The Greater North Central Francophone Education Region No. 2

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Claude Duret

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Henri Lemire

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Robert Nantel

Name

"ORIGINAL SIGNED"

Signature

9-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Auditors' Report

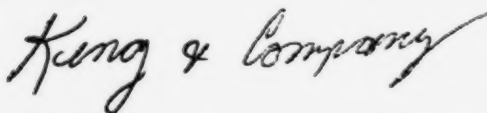
To the Board of Trustees,
The Greater North Central Francophone
Education Region No. 2

We have audited the statement of financial position of The Greater North Central Francophone Education Region No. 2 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Edmonton, AB
November 3, 2004

KING & COMPANY,
Chartered Accountants

KING & COMPANY CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$2,333,060	\$4,944,535
Accounts receivable (net after allowances)	\$1,116,982	\$991,752
Prepaid expenses	\$282,938	\$288,220
Other current assets	\$0	\$0
Total current assets	\$3,732,980	\$6,224,507
School generated assets	\$294,208	\$260,744
Trust assets	\$49,034	\$82,670
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$3,884,000	\$3,884,000
Buildings	\$27,007,004	
Less: accumulated amortization	(\$7,910,077)	
Equipment	\$1,967,495	
Less: accumulated amortization	(\$955,524)	
Vehicles	\$98,696	
Less: accumulated amortization	(\$87,648)	
Total capital assets	\$24,003,946	\$24,572,745
TOTAL ASSETS	\$28,080,168	\$31,140,666
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,044,274	\$2,639,555
Deferred revenue	\$492,704	\$698,738
Deferred capital allocations	(\$534,582)	\$315,422
Current portion of all long term debt	\$14,829	\$41,248
Total current liabilities	\$1,017,225	\$3,694,963
School generated liabilities	\$294,208	\$260,744
Trust liabilities	\$49,034	\$82,670
Employee future benefits liability	\$58,683	\$15,000
Long term debt		
Supported: Debentures and other supported debt	\$88,864	\$130,112
Less: Current portion of supported debt	(\$14,829)	(\$41,248)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$19,594,110	\$19,991,373
Total long term liabilities	\$20,070,070	\$20,438,651
TOTAL LIABILITIES	\$21,087,295	\$24,133,614
NET ASSETS		
Unrestricted net assets	\$2,320,545	\$2,227,929
Operating Reserves	\$181,356	\$157,863
Accumulated Operating Surplus (Deficit)	\$2,501,901	\$2,385,792
Investment in capital assets	\$4,320,972	\$4,451,260
Capital Reserves	\$170,000	\$170,000
Total Capital Funds	\$4,490,972	\$4,621,260
Total net assets	\$6,992,873	\$7,007,052
TOTAL LIABILITIES AND NET ASSETS	\$28,080,168	\$31,140,666

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003 Restated
REVENUES			
Alberta Learning	\$14,249,124	\$14,263,999	\$13,749,371
Alberta Infrastructure	\$2,145,335	\$1,490,992	\$1,697,631
Alberta Finance	\$12,458	\$14,953	\$71,594
Other Government of Alberta	\$2,800	\$0	\$5,600
Federal Government and/or First Nations	\$499,978	\$361,210	\$236,565
Other Alberta school authorities	\$120,100	\$60,500	\$126,716
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$4,763	\$0	\$0
Instruction resource fees	\$260,637	\$359,500	\$241,400
Transportation fees	\$0	\$0	\$0
Other sales and services	\$23,991	\$9,000	\$37,474
Investment income	\$68,552	\$40,000	\$124,242
Gifts and donations	\$8,260	\$1,600	\$1,249
Rentals of facilities	\$23,826	\$27,310	\$50,344
Net school generated funds	\$179,082	\$197,000	\$197,390
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,289,159	\$1,016,396	\$1,117,779
Total Revenues	\$18,888,065	\$17,842,460	\$17,657,355
EXPENSES			
Certificated salaries	\$7,800,003	\$7,499,620	\$7,375,954
Certificated benefits	\$814,664	\$834,824	\$811,010
Uncertificated salaries and wages	\$2,186,238	\$2,058,872	\$2,009,576
Uncertificated benefits	\$389,552	\$421,764	\$344,256
Services, contracts and supplies	\$6,056,884	\$6,105,268	\$5,883,613
Net school generated funds	\$179,082	\$197,000	\$197,390
Capital and debt services			
Amortization of capital assets			
Supported	\$1,289,159	\$1,016,396	\$1,117,779
Unsupported	\$173,971	\$138,682	\$142,099
Total Amortization of capital assets	\$1,463,130	\$1,155,078	\$1,259,878
Interest on capital debt			
Supported	\$12,458	\$14,953	\$21,241
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$12,458	\$14,953	\$21,241
Other interest charges	\$233	\$0	\$241
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$18,902,244	\$18,287,379	\$17,903,159
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$14,179)	(\$444,919)	(\$245,804)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$14,179)	(\$444,919)	(\$245,804)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$14,179)	(\$245,804)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,289,159)	(\$1,117,779)
Total amortization expense	\$1,463,130	\$1,259,878
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$125,230)	(\$290,963)
Prepays and other current assets	\$5,282	\$16,129
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,595,281)	\$1,306,164
Deferred revenue	(\$206,034)	\$9,920
Employee future benefits	\$43,683	\$15,000
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$1,717,788)	\$952,545
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$523,978)	(\$2,663,323)
Equipment	(\$370,353)	(\$467,642)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$894,331)	(\$3,130,965)
C. FINANCING ACTIVITIES		
Capital allocations received	\$644	\$934,520
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$41,248)	(\$42,577)
Add back: supported portion	\$41,248	\$42,577
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$644	\$934,520
Net sources (uses) of cash equivalents* during year	(\$2,611,475)	(\$1,243,900)
Cash Equivalents at the beginning of the year	\$4,944,535	\$6,188,435
Cash Equivalents at the end of the year	\$2,333,060	\$4,944,535

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)										(6) (7) (8) (9) (10) (11) (12) (13) (14)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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					School Based		Infrastructure		Board & System Admin.		Transportation		External Services		Unrestricted		Unrestricted		Unrestricted		Unrestricted		Unrestricted																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																															
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$315,422	\$19,991,373
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$644	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$41,248
Expended capital allocations - current year	(\$850,648)	\$850,648
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,289,159
Balance at August 31, 2004	(\$534,582)	\$19,594,110

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2004

1. AUTHORITY AND PURPOSE

The school jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

Capital Assets

Capital assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Buildings	2.5% to 4%
Vehicles and buses	33⅓%
Equipment and furnishings	20% and 33⅓%

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2004

2. ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the school division does not make pension contributions for certificated staff.

The school jurisdiction participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$16,299 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987.00 (2002 deficiency of \$444,980.00).

The school jurisdiction also has a retirement benefit obligation. This obligation is unfunded and requires no contributions from employees. Expense for this obligation is recorded using the projected benefit method prorated on services. A transitional accrued benefit obligation is accounted for prospectively and amortized using the straight-line method over 6 years.

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2004

2. ACCOUNTING POLICIES (Continued)

Financial Instruments

The school jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the school jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The school jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the school jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

3. ACCOUNTS RECEIVABLE

	2004	2003
Province of Alberta	\$ 656,995	\$375,415
Federal government	446,791	535,670
Other	12,701	14,033
Other school jurisdictions	<u>495</u>	<u>66,634</u>
	<u>\$1,116,982</u>	<u>\$991,752</u>

4. BANK INDEBTEDNESS

The school jurisdiction has negotiated a line of credit in the amount of \$100,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the school jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements
For the Year Ended August 31, 2004

5. DEFERRED REVENUE

	2004	2003
Block IMP funding	\$371,676	\$365,524
One-time modernization grants	121,028	120,592
Subsequent year funding	<u>-</u>	<u>212,622</u>
Total	<u>\$492,704</u>	<u>\$698,738</u>

6. EMPLOYEE FUTURE BENEFITS

Changes to the employee future benefits obligation relating to the retirement benefit plan consist of the following:

	2004	2003
Opening balance	\$ 15,000	\$ -
Current expense for the period:		
Amortization of transitional obligation	11,000	11,000
Current service costs	<u>32,683</u>	<u>4,000</u>
	<u>43,683</u>	<u>15,000</u>
Closing balance	<u>\$ 58,683</u>	<u>\$ 15,000</u>

At the beginning of 2003, the school jurisdiction became obligated under current contracts for employee future benefits at retirement. Management prepared a valuation for accounting purposes using the projected benefit method prorated on services. Based upon this valuation, it was determined that the school jurisdiction had an accrued benefit obligation at September 1, 2002 of \$66,000. The average remaining service period of employees at that time was 6 years. The school jurisdiction has decided to amortize this transitional obligation using a straight-line method over 6 years.

Changes to the transitional obligation consist of the following:

	2004	2003
Opening balance	\$ 55,000	\$ 66,000
Less current amortization	<u>11,000</u>	<u>11,000</u>
Closing balance	<u>\$ 44,000</u>	<u>\$ 55,000</u>

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements For the Year Ended August 31, 2004

6. EMPLOYEE FUTURE BENEFITS (Continued)

Included in expenses are the following:

	2004	2003
Retirement benefit obligation	\$ 43,683	\$ 15,000
Local Authorities Pension Plan	<u>16,299</u>	<u>11,741</u>
	<u>\$ 59,982</u>	<u>\$ 26,741</u>

At the beginning of 2003, the school jurisdiction became obligated under current contracts for employee future benefits at retirement.

7. LONG-TERM DEBT

The school jurisdiction has the following debentures outstanding for the financing of construction of school buildings having a carrying value of \$4,250,375:

	2004	2003
Alberta Capital Finance Authority:		
11.625% due April 15, 2010	\$ 88,318	\$103,037
11.125% due October 15, 2008	546	656
7.25%	-	16,419
10.5%	<u>-</u>	<u>10,000</u>
	88,864	130,112
Due within one year	<u>14,829</u>	<u>41,248</u>
	<u>\$ 74,035</u>	<u>\$ 88,864</u>

Principal repayments required in each of the next five fiscal years are as follows:

2005	\$ 14,829
2006	14,829
2007	14,829
2008	14,829
2009	14,829

8. DEFERRED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the school jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

THE GREATER NORTH CENTRAL FRANCOPHONE EDUCATION REGION NO. 2

Notes to the Financial Statements
For the Year Ended August 31, 2004

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocation (UCA) represents the school jurisdiction's net investment in capital assets (other than land and vehicles) purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account.

10. RESTRICTIONS ON NET ASSETS

The Board of Trustees have internally restricted unrestricted net assets for internal activities which are expected to be carried on by the Education Region itself. These internally restricted amounts are not available for other purposes without the approval of the Board of Trustees.

11. COMMITMENTS

Building Projects

The school jurisdiction is committed to further capital expenditures of approximately \$165,000 for the addition and modernization of two schools. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

Office Lease

The school jurisdiction is committed until June 30, 2005 and December 31, 2006 under operating leases for premises to annual rent of \$59,643 plus occupancy expenses as defined in the leases.

12. ECONOMIC DEPENDENCE

The school jurisdiction's primary source of income is from the Alberta Government. It's ability to continue viable operations is dependent on this funding.

13. BUDGET AMOUNTS

The budget was prepared by school jurisdiction management with Board of Trustees approval given on June 16, 2003. It is presented for information purposes only and has not been audited.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$10,015,030	\$567,169	\$5,447,831						
(2) Support block	\$3,074,717				\$2,287,939			\$786,778	
(3) Instruction & support block reallocations	\$0	(\$35,315)	(\$49,705)		(\$55,731)			\$0	\$140,751
(4) Alberta Initiative for School Improvement (AISi)	\$192,480	\$0	\$192,480						\$0
(5) Student Health Initiative (SHI)	\$40,608	\$0	\$40,608						\$0
(6) Supernet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$382,000	\$31,360	\$352,800					\$7,840	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0								\$0
(9) Regional Assessment Services (4 boards only)	\$477,000	\$0	\$57,281	\$0	\$0			\$0	\$477,000
(10) Other Alberta Learning revenues	\$57,281	\$0	\$0	\$0				\$0	\$0
(11) Total Alberta Learning Revenue	\$14,249,124	\$563,244	\$10,001,303	\$0	\$2,232,208			\$784,618	\$657,751
Alberta Infrastructure									
(12) Expensed IMP (BOPR) support & portable relocations	\$87,931			\$87,931					
(13) Operations & Maintenance support	\$2,057,404			\$2,057,404					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$2,145,335			\$2,145,335					
(16) Alberta Finance	\$12,458			\$12,458					\$0
(17) Other - Government of Alberta	\$2,800	\$0	\$0	\$2,800				\$0	\$0
(18) Federal Government and/or First Nations	\$408,878	\$239,744	\$210,234	\$0	\$0			\$0	\$50,000
(19) Other Alberta school authorities	\$120,100	\$1,270	\$1,270	\$3,750	\$0			\$5,197	\$109,843
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$4,783	\$0	\$4,783	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$200,637	\$13,366	\$247,241						
(23) Transportation fees	\$0	\$0			\$0			\$3,216	\$1,445
(24) Other sales and services	\$23,991	\$0	\$17,264	\$2,068	\$0			\$4,565	\$2,012
(25) Investment income	\$69,552	\$3,352	\$42,527	\$6,707	\$3,389				\$0
(26) Gifts and donations	\$8,280	\$0	\$8,280	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$23,828	\$0	\$23,828	\$23,828	\$0			\$0	\$0
(28) Net school generated funds	\$179,082	\$0	\$179,082	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$1,286,159	\$0	\$30,388	\$1,255,771	\$0			\$0	\$0
(30) Amortization of capital allocations	\$17,886,085	\$619,730	\$10,742,326	\$3,455,719	\$2,241,537			\$887,586	\$871,981
(31) TOTAL REVENUES									
EXPENSES									
(32) Certificated salaries	\$7,800,003	\$676,674	\$6,084,417				\$190,135	\$150,135	\$48,317
(33) Certificated benefits	\$53,883	\$53,883	\$728,785				\$9,877	\$9,877	\$12,519
(34) Uncertificated salaries and wages	\$2,146,238	\$63,975	\$1,123,255	\$528,180	\$50,208	\$28,210	\$300,336	\$328,546	\$113,064
(35) Uncertificated benefits	\$389,552	\$10,220	\$271,637	\$46,841	\$10,382	\$420	\$57,268	\$57,078	\$18,504
(36) SUB - TOTAL	\$11,100,457	\$814,552	\$8,948,154	\$587,031	\$68,590	\$29,630	\$517,406	\$547,036	\$232,094
(37) Services, contracts & supplies	\$5,008,884	\$5,184	\$1,632,999	\$1,351,441	\$2,180,807	\$17,486	\$251,789	\$323,775	\$581,078
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	(\$27,000)	\$27,000	\$27,000
(39) Net school generated funds	\$179,082	\$0	\$179,082	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,286,159	\$0	\$30,382	\$1,255,777	\$0		\$0	\$0	\$0
(41) Unsupported	\$173,971	\$0	\$130,386	\$11,501	\$0	\$0	\$32,084	\$32,084	\$0
(42) Total Amortization	\$1,460,130	\$0	\$180,768	\$1,270,278	\$0	\$0	\$32,084	\$32,084	\$0
Interest on capital debt									
(43) Supported	\$12,458	\$0	\$0	\$12,458	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$233	\$0	\$0	\$0	\$0	\$0	\$114	\$114	\$119
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$18,902,243	\$819,736	\$10,920,603	\$3,223,208	\$2,241,537	\$102,116	\$773,893	\$876,009	\$921,081
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	(\$14,179)	\$0	(\$178,277)	\$232,511	\$0			(\$58,413)	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$5,766,035	\$941,430	\$0	\$0	\$48,346	\$128,656	\$0
Certificated benefits	\$622,581	\$91,368	\$0	\$0	\$3,464	\$11,372	\$0
Uncertificated salaries and wages	\$309,935	\$311,573	\$0	\$84,351	\$352,071	\$8,948	\$56,377
Uncertificated benefits	\$53,019	\$72,284	\$0	\$15,379	\$63,124	\$1,893	\$5,938
SUB - TOTAL REMUNERATION	\$6,751,570	\$1,416,655	\$0	\$99,730	\$467,005	\$150,879	\$62,315
Services, contracts & supplies	\$942,750	\$506,209	\$0	\$47,772	\$89,588	\$42,384	\$1,632,599
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$179,082	\$0	\$0	\$0	\$0	\$0	\$179,082
Amortization of capital assets	\$15,943	\$14,439	\$0	\$0	\$0	\$0	\$30,382
Supported	\$103,762	\$26,624	\$0	\$0	\$0	\$0	\$130,386
Unsuported	\$119,705	\$41,063	\$0	\$0	\$0	\$0	\$160,768
Total Amortization	\$223,667	\$67,693	\$0	\$0	\$0	\$0	\$190,750
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsuported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$7,993,107	\$1,963,927	\$0	\$147,502	\$556,593	\$193,263	\$66,211
FTE Certificated				0.0	0.6		
FTE Uncertificated				3.5	12.7		

SCHEDULE C to the AFS
Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	TOTAL REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction	\$6,995,555	\$585,886	\$493,782	(\$89,705)		\$7,351,727	\$7,351,727	\$633,791
School Admin & Instruction Support Expenses						\$1,963,927	\$1,963,927	(\$1,963,927)
System Instruction Support Expenses						\$0	\$0	\$0
Total Basic Instruction	\$6,995,555	\$585,886	\$493,782	(\$89,705)		\$9,315,654	\$9,315,654	(\$1,330,136)
Sub-Programs & Initiatives								
Severely Disabled	\$270,317		\$0			\$556,593	\$270,317	(\$286,276)
English as a Second Language	\$74,336					\$189,312	\$74,336	(\$114,976)
Enhanced Opportunities	\$0					\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0		\$0			\$0	\$0	\$0
Institutional Programs	\$0					\$0	\$0	\$0
Sparsity & Distance	\$1,682,281					\$1,682,281	\$1,682,281	\$0
Growth & Denial	\$52,823					\$52,823	\$52,823	\$0
Teacher Assistants Program	\$41,673					\$41,673	\$41,673	\$0
Early Literacy Initiative (K-2)	\$83,445					\$137,173	\$83,445	(\$53,728)
Learning Resources Credit & Resources for the Classroom	\$19,589	\$57,291	\$247,241			\$447,439	\$324,121	(\$123,318)
Technology Integration	\$67,364		\$0			\$94,822	\$67,364	(\$27,458)
French Language Program & Francisation (all jurisdictions)	\$160,448		\$0			\$137,937	\$160,448	\$22,511
Home Education	\$0		\$0			\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$2,452,276	\$643,177	\$247,241	(\$89,705)		\$1,604,949	\$2,756,808	\$1,151,859
INSTRUCTION, GRADES 1-12	\$9,447,831	\$643,177	\$741,023	(\$89,705)		\$10,920,603	\$10,742,326	(\$178,277)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$9,947,666
Support Block - Transportation	\$2,287,939
SUBTOTAL	\$12,235,605
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$2,057,404
Teacher Salary Enhancement	\$392,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$2,800
Federal government/First Nations	\$499,978
Other Alberta school authorities	\$120,100
Out of province local authorities	\$0
Alberta municipalities	\$4,763
Other sales and services	\$23,991
Interest on investments	\$68,552
Rentals of facilities	\$23,826
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$1,289,159
School generated funds (Schedule E)	\$234,032
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$16,952,210
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	6.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,017,133
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	\$0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,017,133
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$876,009
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$876,009
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,017,133
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$141,124

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$260,744
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$234,032	
Less: SGF - related cost recoveries (Note 3)	\$23,504	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$210,528	
Plus: Donations Received (Note 5)	\$2,018	
Equals: Net Additions to SGF		\$212,546
Net SGF Available for discretionary spending		\$473,290
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$179,082
Unexpended SGF - Closing Balance August 31, 2004		\$294,208
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$506,190	\$0	\$0	\$0	\$0	\$506,190		\$506,190
Uncertificated benefits	\$80,841	\$0	\$0	\$0	\$0	\$80,841		\$80,841
Sub-total Remuneration	\$587,031	\$0	\$0	\$0	\$0	\$587,031		\$587,031
Contracted Services	\$105,436	\$568,581	\$39,688	\$87,931	\$48,690	\$850,536		\$850,536
Supplies	\$84,931	\$10,067	\$0	\$0	\$6,057	\$101,075		\$101,075
Electricity			\$190,737			\$190,737		\$190,737
Natural Gas/Heating Fuel			\$151,823			\$151,823		\$151,823
Sewer and Water			\$27,682			\$27,682		\$27,682
Telecommunications			\$3,395			\$3,395		\$3,395
Insurance					\$28,193	\$28,193		\$28,193
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,258,777	\$1,258,777
Unsupported								
Total Amortization							\$11,501	\$11,501
Interest on capital debt							\$1,258,777	\$1,270,278
Supported								
Unsupported							\$12,458	\$12,458
Other interest charges				\$0		\$0	\$0	\$0
Losses on disposal of capital assets							\$0	\$0
Cost recoveries & transfers							\$0	\$0
TOTAL EXPENSES	\$777,398	\$578,668	\$413,535	\$87,931	\$82,840	\$1,951,973	\$1,271,235	\$3,223,208
SQUARE METRES								
School Buildings								30,870.9
Non School Buildings								729.8
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						
Contracted Services	0.0	0.0						

Notes:

All expenses related to activities undertaken to keep the school environment clean and safe.

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt.

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

[illegible]

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater Southern Public Francophone Education Region No. 4

Legal Name of School Jurisdiction

2e Floor, 360 - 94 ave, Calgary - AB, T2J 0E8

Mailing Address

403-686-6998 (tel) 403-686-2914 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater Southern Public Francophone Education Region No. 4
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Anne-Marie Boucher

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Dr. Richard Slevinsky

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Yvan Beaubien

Name

"ORIGINAL SIGNED"

Signature

9-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



Joly, McCarthy & Dion

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AUDITORS' REPORT

TO THE BOARD OF TRUSTEES

Greater Southern Public Francophone Education Region No. 4

We have audited the statement of financial position of the Greater Southern Public Francophone Education Region No. 4 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

ST. PAUL, ALBERTA
November 04, 2004

Joly McCarthy & Dion
CHARTERED ACCOUNTANTS



Members of
The Institute of Chartered Accountants of Alberta

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$761,511	\$383,933
Accounts receivable (net after allowances)		\$884,763	\$1,690,721
Prepaid expenses		\$12,691	\$11,732
Other current assets		\$0	\$0
Total current assets		\$1,658,965	\$2,086,386
School generated assets			
Trust assets		\$30,306	\$8,695
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets		\$0	\$0
Land		\$148,788	\$113,560
Buildings	\$6,573,054		
Less: accumulated amortization	(\$148,961)	\$6,424,093	\$5,863,472
Equipment	\$330,022		
Less: accumulated amortization	(\$15,119)	\$314,903	\$64,322
Vehicles	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Total capital assets		\$6,687,782	\$6,041,354
TOTAL ASSETS		\$8,577,053	\$8,136,435
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$330,285	\$773,021
Deferred revenue		\$1,036,291	\$733,115
Deferred capital allocations		\$87,008	\$50,054
Current portion of all long term debt		\$0	\$0
Total current liabilities		\$1,453,584	\$1,556,190
School generated liabilities			
Trust liabilities		\$30,306	\$8,695
Employee future benefits liability		\$0	\$0
Long term debt		\$0	\$0
Supported: Debentures and other supported debt		\$0	\$0
Less: Current portion of supported debt		\$0	\$0
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$6,611,514	\$5,919,715
Total long term liabilities		\$6,641,820	\$5,928,410
TOTAL LIABILITIES		\$8,095,404	\$7,484,600
NET ASSETS			
Unrestricted net assets		\$0	\$261,739
Operating Reserves		\$205,381	\$268,456
Accumulated Operating Surplus (Deficit)		\$205,381	\$530,195
Investment in capital assets		\$276,268	\$121,640
Capital Reserves		\$0	\$0
Total Capital Funds		\$276,268	\$121,640
Total net assets		\$481,649	\$951,835
TOTAL LIABILITIES AND NET ASSETS		\$8,577,053	\$8,136,435

Note: Input "Restated" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$4,197,977	\$4,161,929	\$3,993,053
Alberta Infrastructure	\$786,196	\$462,579	\$613,035
Alberta Finance	\$0	\$0	\$0
Other Government of Alberta	\$900	\$0	\$900
Federal Government and/or First Nations	\$8,702	\$8,000	\$9,590
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$28,292	\$37,888	\$30,811
Transportation fees	\$0	\$0	\$0
Other sales and services	\$6,450	\$13,310	\$2,860
Investment income	\$21,937	\$15,000	\$30,829
Gifts and donations	\$0	\$0	\$200
Rentals of facilities	\$13,508	\$0	\$13,512
Net school generated funds	\$16,587	\$22,500	\$39,505
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$155,592	\$0	\$409
Total Revenues	\$5,236,141	\$4,741,206	\$4,734,704
EXPENSES			
Certificated salaries	\$2,357,586	\$2,365,654	\$2,038,241
Certificated benefits	\$266,140	\$282,189	\$232,396
Uncertificated salaries and wages	\$574,069	\$722,727	\$519,774
Uncertificated benefits	\$73,156	\$108,185	\$97,962
Services, contracts and supplies	\$2,037,711	\$1,524,931	\$1,630,101
Net school generated funds	\$16,587	\$22,500	\$39,505
Capital and debt services			
<i>Amortization of capital assets</i>			
Supported	\$155,592	\$0	\$409
Unsupported	\$2,693	\$0	\$2,693
Total Amortization of capital assets	\$158,285	\$0	\$3,102
<i>Interest on capital debt</i>			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$574	\$750	\$1,347
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$5,484,108	\$5,047,136	\$4,562,428
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$247,967)	(\$305,930)	\$172,276
Unrestricted revenues used for capital purposes	\$42,555	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$205,412)	(\$305,930)	\$172,276

Note: Input "[Restated]" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$205,412)	\$172,276
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$155,592)	(\$409)
Total amortization expense	\$158,285	\$3,102
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$805,958	(\$1,123,319)
Prepays and other current assets	(\$959)	\$197
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$442,736)	(\$6,929)
Deferred revenue	\$303,176	\$352,086
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$462,720	(\$602,996)
B. INVESTING ACTIVITIES		
Purchases of capital assets:		
Land	\$0	\$0
Buildings	(\$139,528)	(\$921,793)
Equipment	(\$259,906)	(\$54,607)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$399,434)	(\$976,400)
C. FINANCING ACTIVITIES		
Capital allocations received	\$314,292	\$209,872
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$314,292	\$209,872
Net sources (uses) of cash equivalents* during year	\$377,578	(\$1,369,524)
Cash Equivalents at the beginning of the year	\$383,933	\$1,753,457
Cash Equivalents at the end of the year	\$761,511	\$383,933

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "[Restated]" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

School Jurisdiction Code _____

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	(1) TOTAL NET ASSETS (Column 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)										(6) School Jurisdiction Code		
					(8) School Based		(9) Infrastructure		(10) Board & System Admin.		(11) Transportation		(12) External Services				
					Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd O & M Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves			
Balance at August 31, 2003	\$651,835	\$121,840	\$261,739	\$268,456	\$46,954	\$0	\$175,218	\$0	\$6,284	\$0	\$0	\$0	\$0	\$0			
Prior period adjustments (describe)																	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Adjusted Balance, Aug 31, 2003	\$651,835	\$121,840	\$261,739	\$268,456	\$46,954	\$0	\$175,218	\$0	\$6,284	\$0	\$0	\$0	\$0	\$0			
Surplus(def) of revenue over expenses	(\$209,412)		(\$209,412)														
Board funded capital transactions		\$122,095	(\$122,095)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Donations of non-amortizable assets	\$35,226	\$35,226															
Amortization of capital assets		(\$158,285)	\$158,285														
Amortization of capital allocations		\$155,592	(\$155,592)														
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0			
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0			
Debt principal payments (unsupported)		\$0	\$0	\$0													
Net transfers to operating reserves			(\$50,362)	\$50,360	\$26,088		\$0		\$22,652		\$0		\$0				
Net transfers from operating reserves			\$113,455	(\$113,455)	(\$133,915)		(\$79,540)		\$0		\$0		\$0				
Net transfers to capital reserves			\$0	\$0		\$0				\$0				\$0			
Net transfers from capital reserves			\$0	\$0		\$0				\$0				\$0			
Balance at August 31, 2004	\$481,649	\$276,268	\$0	\$205,381	\$19,727	\$0	\$95,678	\$0	\$29,976	\$0	\$0	\$0	\$0	\$0			

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$50,054	\$5,919,715
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$314,292	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$570,053
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	(\$277,338)	\$277,338
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$155,592
Balance at August 31, 2004	\$87,008	\$6,611,514

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

GREATER SOUTHERN PUBLIC FRANCOPHONE EDUCATION REGION NO. 4
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

The jurisdiction is exempt from tax under the Income Tax Act.

2. Summary of Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the contributions.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

GREATER SOUTHERN PUBLIC FRANCOPHONE EDUCATION REGION NO. 4
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

2. Summary of Significant Accounting Policies (continued)

b) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings (major modernization)	2.5% - 4%
Equipment	10% - 20%

Only capital assets with costs in excess of \$5,000 are capitalized. The amortization of the asset will commence in the fiscal year following the year of acquisition. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trips, etc.).

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

f) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school jurisdiction to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school-generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, and accrued liabilities. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

GREATER SOUTHERN PUBLIC FRANCOPHONE EDUCATION REGION NO. 4
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

2. Summary of Significant Accounting Policies (continued)

h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

i) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Greater Southern Public Francophone Education Region No. 4 does not make pension contributions for certified staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$15,922 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

3. Accounts Receivable

	<u>2004</u>	<u>2003</u>
Alberta Learning	\$ 62,488	\$ 175,000
Alberta Infrastructure	704,446	551,441
Other Province of Alberta	900	—
Other Alberta School Jurisdiction	—	6,644
Other	<u>116,929</u>	<u>957,636</u>
	<u>\$ 884,763</u>	<u>\$ 1,690,721</u>

4. Accounts Payable and Accrued Liabilities

	<u>2003</u>	<u>2002</u>
Alberta Learning	\$ —	\$ 2,515
Alberta Infrastructure	—	25,277
Other Alberta School Jurisdictions	126,734	1,220
Other	<u>203,551</u>	<u>744,009</u>
	<u>\$ 330,285</u>	<u>\$ 773,021</u>

5. Deferred Revenue

	<u>2004</u>	<u>2003</u>
Infrastructure Maintenance Program	\$ 67,867	\$ 48,999
One-time modernization funding 1999	—	42,555
One-time funding 2002-03	32,799	32,799
Technology Integration funding	52,525	35,497
School start-up funding	459,673	444,847
PARSA	—	9,895
One-time operation and maintenance support	—	118,523
Operation and maintenance general	<u>423,427</u>	<u>—</u>
	<u>\$ 1,036,291</u>	<u>\$ 733,115</u>

GREATER SOUTHERN PUBLIC FRANCOPHONE EDUCATION REGION NO. 4
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

6. Internally Restricted Net Assets

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

	August 31 <u>2003</u>	<u>Appropriated</u>	<u>Used</u>	August 31 <u>2004</u>
Operating Reserves				
Board and system admin.	\$ 6,284	\$ 23,692	\$ --	\$ 29,976
School	86,954	26,688	33,915	79,727
Operation and maintenance	<u>175,218</u>	<u>--</u>	<u>79,540</u>	<u>95,678</u>
	<u>\$ 268,456</u>	<u>\$ 50,380</u>	<u>\$ 113,455</u>	<u>\$ 205,381</u>

7. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

8. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent.

9. Budget Amounts

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

10. Commitments

Leases

The school jurisdiction currently leases various equipment. The future minimum payments under these operating leases are as follows:

2005	\$ 57,039
2006	21,299
2007	15,360
2008	<u>2,560</u>
	<u>\$ 96,258</u>

GREATER SOUTHERN PUBLIC FRANCOPHONE EDUCATION REGION NO. 4
NOTES TO THE SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

11. Contingent assets

The jurisdiction is a member of a reciprocal insurance exchange called ALAIRE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of the equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

12. Land Transfer

The school jurisdiction received a transfer in of land from another school jurisdiction. The net book value of the land will not be amortized. As a result, this transfer was recognized as a direct increase in net assets invested in capital assets in the statement of changes in net assets.

13. Economic Dependence on Related Third Party

The school jurisdiction's primary source of income is from the Alberta Government. The jurisdiction's ability to continue viable operations is dependent on this funding.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$2,879,512	\$208,613	\$2,670,899						
(2) Support block	\$1,050,187	\$0	\$0		\$650,187			\$400,000	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AIS)	\$57,175	\$0	\$57,175						
(5) Student Health Initiative (SH)	\$8,706	\$0	\$8,706						
(6) Supernet Access	\$0								\$0
(7) Teacher Salary Enhancement (TSE)	\$116,020	\$13,526	\$102,474					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0							\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0							\$0	\$0
(10) Other Alberta Learning revenues	\$86,397	\$51,860	\$34,537	\$0	\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$4,197,977	\$273,999	\$2,873,791	\$0	\$650,187			\$400,000	\$0
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$93			\$93					
(13) Operations & Maintenance support	\$260,354			\$260,354					
(14) Operations & Maintenance support (One-Time)	\$525,749			\$525,749					
(15) Total Alberta Infrastructure Revenue	\$786,196			\$786,196					
(16) Alberta Finance	\$0								\$0
(17) Other - Government of Alberta	\$920	\$0	\$920	\$0	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$5,702	\$0	\$5,702	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$26,262	\$4,225	\$24,067		\$0			\$0	\$0
(23) Transportation fees	\$0								
(24) Other sales and services	\$5,450	\$0	\$0	\$6,450				\$0	\$0
(25) Investment income	\$21,937	\$0	\$21,937	\$0	\$0			\$0	\$0
(26) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$13,508	\$0	\$13,508	\$13,508				\$0	\$0
(28) Net school generated funds	\$16,587	\$0	\$16,587	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$155,592	\$0	\$155,592	\$148,961	\$0			\$0	\$0
(30) Amortization of capital allocations	\$5,236,141	\$276,224	\$2,852,615	\$955,115	\$650,187			\$400,000	\$0
EXPENSES									
(32) Certificated salaries	\$2,357,586	\$261,261	\$2,030,992				\$65,333	\$65,333	\$0
(33) Certificated benefits	\$266,140	\$32,891	\$226,208				\$0	\$0	\$0
(34) Uncertificated salaries and wages	\$574,069	\$55,768	\$21,507	\$24,122	\$24,122	\$36,845	\$111,607	\$148,552	\$0
(35) Uncertificated benefits	\$73,156	\$11,874	\$25,418	\$5,079	\$5,079	\$1,817	\$21,869	\$35,196	\$0
(36) SUB - TOTAL	\$3,270,951	\$361,892	\$2,694,203	\$29,201	\$29,201	\$38,762	\$207,692	\$246,454	\$0
(37) Services, contracts & supplies	\$2,037,711	\$13,095	\$456,995	\$776,553	\$661,368	\$28,171	\$101,109	\$179,280	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$16,587	\$0	\$15,988	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$155,592	\$0	\$6,631	\$148,961	\$0		\$0	\$0	\$0
(41) Unsupported	\$2,683	\$0	\$2,683	\$0	\$0	\$0	\$0	\$0	\$0
(42) Total Amortization	\$158,285	\$0	\$9,324	\$148,961	\$0	\$0	\$0	\$0	\$0
Interest on capital debt									
(43) Supported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(45) Other interest charges	\$574	\$0	\$0	\$0	\$0		\$574	\$574	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(47) TOTAL EXPENSES	\$5,484,108	\$374,987	\$3,086,510	\$955,115	\$660,569	\$66,933	\$109,375	\$376,308	\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	(\$247,967)	(\$56,783)	(\$133,895)	\$0	(\$40,402)			\$27,692	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$1,548,490	\$304,518	\$86,528	\$0	\$47,646	\$43,810	\$0	\$2,030,992
Certificated benefits	\$176,856	\$28,706	\$8,716	\$0	\$6,337	\$5,671	\$0	\$226,286
Uncertificated salaries and wages	\$106,113	\$160,156	\$0	\$8,001	\$47,237	\$0	\$0	\$321,507
Unaffiliated benefits	\$8,393	\$13,012	\$0	\$669	\$3,344	\$0	\$0	\$25,418
SUB - TOTAL REMUNERATION	\$1,839,852	\$506,392	\$95,244	\$8,670	\$104,564	\$49,481	\$0	\$2,604,203
Services, contracts & supplies	\$283,842	\$129,935	\$3,314	\$13,791	\$7,758	\$9,649	\$8,706	\$456,995
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$15,988							\$15,988
Amortization of capital assets								
Supported	\$6,631	\$0	\$0					\$6,631
Unsupported	\$2,693	\$0	\$0					\$2,693
Total Amortization	\$9,324	\$0	\$0					\$9,324
Interest on capital debt								
Supported	\$0	\$0						\$0
Unsupported	\$0	\$0						\$0
Other interest charges	\$0	\$0						\$0
Losses on disposal of capital assets	\$0	\$0						\$0
TOTAL EXPENSES	\$2,149,006	\$636,327	\$98,558	\$22,461	\$112,322	\$59,130	\$8,706	\$3,086,510
FTE Certificated				0.0	0.7			
FTE Uncertificated				0.4	1.7			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION				INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	ALBERTA LEARNING REVENUE				
Basic instruction	\$1,746,668	\$196,885	\$54,757	\$0	\$1,998,310	\$1,947,041	\$51,269	
School Admin & Instruction Support Expenses						\$636,327	(\$636,327)	
System Instruction Support Expenses						\$98,558	(\$98,558)	
Total Basic Instruction	\$1,746,668	\$196,885	\$54,757	\$0	\$1,998,310	\$2,681,926	(\$683,616)	
Sub-Programs & Initiatives								
Severely Disabled	\$77,616		\$0		\$77,616	\$112,322	(\$34,706)	
English as a Second Language	\$44,160				\$44,160	\$44,160	\$0	
Enhanced Opportunities	\$0				\$0	\$0	\$0	
First Nations, Metis, and Inuit Education	\$0		\$0		\$0	\$0	\$0	
Institutional Programs	\$0				\$0	\$0	\$0	
Sparsity & Distance	\$603,732				\$603,732	\$603,732	\$0	
Growth & Density	\$30,073				\$30,073	\$30,073	\$0	
Teacher Assistants Program	\$12,574				\$12,574	\$12,351	\$223	
Early Literacy Initiative (K-2)	\$26,656				\$26,656	\$26,656	\$0	
Learning Resources Credit & Resources for the Classroom	\$3,506	\$6,007	\$24,067		\$33,580	\$83,181	(\$49,601)	
Technology Integration	\$0				\$0	\$0	\$0	
French Language Program & Francisation (all jurisdictions)	\$123,628		\$0		\$123,628	\$123,628	\$0	
Home Education	\$2,286		\$0		\$2,286	\$2,286	\$0	
Total Sub-Programs & Initiatives	\$924,231	\$24,067	\$78,824	\$0	\$2,952,615	\$404,584	\$549,721	
INSTRUCTION, GRADES 1-12	\$2,670,899	\$202,892	\$78,824	\$0	\$2,952,615	\$3,086,510	(\$133,895)	

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$2,879,512
Support Block - Transportation		\$650,187
SUBTOTAL		\$3,529,699
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$260,354
Teacher Salary Enhancement		\$116,000
Other Alberta Learning revenues (Describe) RCF, Expansion & Development and Special Projects		\$86,397
Other - Government of Alberta (Excluding Alberta Finance)		\$900
Federal government/First Nations		\$8,702
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$6,450
Interest on investments		\$21,937
Rentals of facilities		\$13,508
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$155,592
School generated funds (Schedule E)		\$97,878
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$4,297,417
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		0.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$0
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	400,000	\$400,000
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$400,000
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$376,308
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$23,692
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$400,000
Maximum Expense Limit for Board & System Administration (Step 3)		\$400,000
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		\$0

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$8,695
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$97,878	
Less: SGF - related cost recoveries (Note 3)	\$59,680	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$38,198	
 Plus: Donations Received (Note 5)	 \$0	
 Equals: Net Additions to SGF		 \$38,198
 Net SGF Available for discretionary spending		 \$46,893
 Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$16,587
 Unexpended SGF - Closing Balance August 31, 2004		 \$30,306
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$0	\$0	\$0	\$24,122	\$24,122		\$24,122
Uncertificated benefits	\$0	\$0	\$0	\$0	\$5,079	\$5,079		\$5,079
Sub-total Remuneration	\$0	\$0	\$0	\$0	\$29,201	\$29,201		\$29,201
Contracted Services	\$136,125	\$437,421	\$0	\$0	\$10,203	\$583,749		\$583,749
Supplies	\$14,990	\$26,746	\$0	\$0	\$0	\$41,736		\$41,736
Electricity			\$63,579			\$63,579		\$63,579
Natural Gas/Heating Fuel			\$54,831			\$54,831		\$54,831
Sewer and Water			\$11,368			\$11,368		\$11,368
Telecommunications			\$0			\$0		\$0
Insurance					\$21,690	\$21,690		\$21,690
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsuported							\$148,961	\$148,961
Total Amortization							\$0	\$0
Interest on capital debt							\$148,961	\$148,961
Supported								
Unsuported							\$0	\$0
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$151,115	\$464,167	\$129,778	\$0	\$61,094	\$806,154	\$148,961	\$955,115
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						12,538.7
Contracted Services	4.0	0.0						0.0

Heizer:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, supervision of employees and contractors, administration of capital projects (including new schools, IMP (RNP), and portable relocations), administration of plant-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)

Person:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Chairperson:								
Name: Nicole Buret	1.0	\$11,340	\$1,391	\$0			\$12,731	\$2,509
	0.0	\$0	\$0	\$0			\$0	\$0
Other Board Members:								
Name: Anne Marie Bouchet	1.0	\$9,745	\$141	\$0			\$9,886	\$2,106
Name: Mireille Dunn	1.0	\$4,725	\$111	\$0			\$4,836	\$2,214
Name: Bonnie Lemoureux McLean	1.0	\$6,705	\$60	\$0			\$6,765	\$4,359
Name: Alan Elmer	1.0	\$4,430	\$113	\$0			\$4,543	\$320
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Name:	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	5.0	\$26,845	\$1,816	\$0			\$28,661	\$11,509
Superintendent Brian Calhoun (acting Superintendent)	0.3	\$3,494	\$0	\$0	\$0	\$0	\$3,494	\$393
Superintendent Dr. Richard Stevigny	0.6	\$65,333	\$6,863	\$0	\$0	\$0	\$72,196	\$17,152
Secretary/Treasurer Yvan Beaulieu	1.0	\$83,640	\$18,496	\$0	\$0	\$0	\$102,136	\$7,950
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	37.1	\$2,292,253	\$259,277	\$0	\$0	\$0	\$2,551,530	
Uncertificated Salaries & Wages	13.4	\$453,634	\$52,844	\$0	\$0	\$0	\$506,328	
TOTALS		\$2,935,149	\$332,396	\$0	\$0	\$0	\$3,274,445	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).
 Superintendent position was vacant for the month of September 2003, acting Superintendent remuneration and expenses contracted out for period of October 1st, 2003 to January 31, 2004.

Superintendent position full time and effective February 1st, 2004.

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater Southern Separate Catholic Francophone Education Region No.4

Legal Name of School Jurisdiction

200, 4800 Richard Road S.W., Calgary, Alberta, T3E 6L1

Mailing Address

Phone: (403) 685-9881/ Fax: (403) 685-9884

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater Southern Separate Catholic Francophone Education Region No.4
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Adrian Gnyra

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Cécile Bonnar

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Liette Desrochers

Name

"ORIGINAL SIGNED"

Signature

24-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jerry@gov.ab.ca
PHONE: (780) 427-7762 FAX: (780) 422-6896

BERGERON & CO.

CERTIFIED GENERAL ACCOUNTANTS
COMPTABLES GÉNÉRAUX AGRÉÉS

AUDITORS' REPORT

To the Board of Trustees of:

The Greater Southern Separate Catholic Francophone Education Region No. 4

We have audited the statement of financial position of The Greater Southern Separate Catholic Francophone Education Region No. 4 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bergeron & Co.

Certified General Accountants

October 28, 2004
Edmonton, Alberta

GHISLAIN BERGERON, B.Sc., CGA *
PIERRE BERGERON, B.A., CGA *
SIMON BELZILE, CGA *



* Professional Corporation

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STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$919,459	\$1,049,464
Accounts receivable (net after allowances)		\$183,602	\$204,620
Prepaid expenses		\$38,685	\$31,069
Other current assets		\$0	\$0
Total current assets		\$1,141,746	\$1,285,153
School generated assets		\$12,632	\$19,161
Trust assets		\$0	\$0
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$0	\$0
Buildings	\$5,741,411		
Less: accumulated amortization	(\$366,995)	\$5,374,416	\$5,557,914
Equipment	\$636,540		
Less: accumulated amortization	(\$169,237)	\$467,303	\$155,744
Vehicles	\$0		
Less: accumulated amortization	\$0	\$0	\$0
Total capital assets		\$5,841,719	\$5,713,658
TOTAL ASSETS		\$6,996,097	\$7,017,972
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$264,489	\$176,946
Deferred revenue		\$159,739	\$213,007
Deferred capital allocations		\$0	\$0
Current portion of all long term debt		\$0	\$0
Total current liabilities		\$424,228	\$389,953
School generated liabilities		\$12,632	\$19,161
Trust liabilities		\$0	\$0
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$0	\$0
Less: Current portion of supported debt		\$0	\$0
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$5,467,925	\$5,663,393
Total long term liabilities		\$5,480,557	\$5,682,554
TOTAL LIABILITIES		\$5,904,785	\$6,072,507
NET ASSETS			
Unrestricted net assets		\$255,000	\$223,687
Operating Reserves		\$342,991	\$266,513
Accumulated Operating Surplus (Deficit)		\$597,991	\$490,200
Investment in capital assets		\$373,794	\$50,265
Capital Reserves		\$119,527	\$405,000
Total Capital Funds		\$493,321	\$455,265
Total net assets		\$1,091,312	\$945,465
TOTAL LIABILITIES AND NET ASSETS		\$6,996,097	\$7,017,972

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$5,079,653	\$4,886,430	\$4,563,568
Alberta Infrastructure	\$502,283	\$497,933	\$349,229
Alberta Finance	\$0	\$0	\$0
Other Government of Alberta	\$2,000	\$0	\$0
Federal Government and/or First Nations	\$3,778	\$0	\$2,834
Other Alberta school authorities	\$4,578	\$0	\$539
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$4,131	\$0	\$2,865
Transportation fees	\$5,700	\$0	\$6,512
Other sales and services	\$172	\$0	\$2,556
Investment income	\$12,845	\$11,900	\$19,160
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$665	\$0	\$0
Net school generated funds	\$26,109	\$4,500	\$0
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$213,314	\$208,713	\$215,784
Total Revenues	\$5,855,228	\$5,609,476	\$5,163,047
EXPENSES			
Certificated salaries	\$2,672,790	\$2,648,556	\$2,268,720
Certificated benefits	\$306,297	\$310,426	\$286,091
Uncertificated salaries and wages	\$433,513	\$437,386	\$405,966
Uncertificated benefits	\$86,348	\$83,796	\$75,721
Services, contracts and supplies	\$1,896,067	\$1,901,584	\$1,546,186
Net school generated funds	\$26,109	\$4,500	\$0
Capital and debt services			
Amortization of capital assets:			
Supported	\$213,314	\$208,713	\$215,784
Unsupported	\$74,943	\$80,185	\$4,279
Total Amortization of capital assets	\$288,257	\$288,898	\$220,063
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$5,709,382	\$5,675,146	\$4,802,747
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM	\$145,847	(\$65,670)	\$360,300
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$145,847	(\$65,670)	\$360,300

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$145,847	\$360,300
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$213,314)	(\$215,784)
Total amortization expense	\$288,257	\$220,063
Gains on disposal of capital assets	\$0	
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$21,018	(\$186,759)
Prepays and other current assets	(\$7,616)	(\$6,069)
Long term accounts receivable	\$0	(\$63,392)
Long term investments	\$0	(\$6,358)
Payables and accrued liabilities	\$87,543	\$0
Deferred revenue	(\$53,268)	\$0
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$268,467	\$102,001
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	(\$416,318)	(\$56,221)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$416,318)	(\$56,221)
C. FINANCING ACTIVITIES		
Capital allocations received	\$17,846	\$6,901
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$17,846	\$6,901
Net sources (uses) of cash equivalents* during year	(\$130,005)	\$52,681
Cash Equivalents at the beginning of the year	\$1,049,464	\$996,783
Cash Equivalents at the end of the year	\$919,459	\$1,049,464

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) (6) (7) (8) (9) (10) (11) (12) (13) (14)															
					(in dollars)															
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services							
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves				
Balance at August 31, 2003	\$945,465	\$50,265	\$223,687	\$671,513	\$264,215	\$405,000	\$0	\$0	\$2,298	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Prior period adjustments (describe)																				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Adjusted Balance, Aug 31, 2003	\$945,465	\$50,265	\$223,687	\$671,513	\$264,215	\$405,000	\$0	\$0	\$2,298	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Surplus(def) of revenue over expenses	\$145,847		\$145,847																	
Board funded capital transactions		\$398,472	(\$12,999)	(\$385,473)	\$0	(\$385,473)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Donations of non-amortizable assets	\$0	\$0																		
Amortization of capital assets		(\$288,257)	\$288,257																	
Amortization of capital allocations		\$213,314	(\$213,314)																	
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0				
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0	\$0	\$0	\$0		\$0		\$0		\$0	\$0	\$0	\$0	\$0				
Debt principal payments (unsupported)		\$0	\$0	\$0																
Net transfers to operating reserves			(\$76,478)	\$76,478			\$0	\$50,340		\$26,138		\$0								
Net transfers from operating reserves			\$0	\$0	\$0		\$0	\$0				\$0		\$0						
Net transfers to capital reserves			(\$100,000)	\$100,000		\$100,000		\$0				\$0		\$0		\$0				
Net transfers from capital reserves			\$0	\$0		\$0		\$0				\$0		\$0		\$0				
Balance at August 31, 2004	\$1,091,312	\$373,794	\$255,000	\$462,518	\$264,215	\$119,527	\$0	\$0	\$52,638	\$0	\$26,138	\$0	\$0	\$0	\$0	\$0				

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$5,663,393
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$17,846	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds		
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	(\$17,846)	\$17,846
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$213,314
Balance at August 31, 2004	\$0	\$5,467,925

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION REGION NO. 4

Notes to the Financial Statements
August 31, 2004

1. AUTHORITY AND PURPOSE

On July 7, 2000 by order of the Minister of Learning of Alberta, the Greater Southern Separate Catholic Francophone Education Region No. 4 was established. The school jurisdiction receives block allocations for instruction and support for the delivery of a catholic francophone educational program under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The jurisdiction is exempt from tax under the Canada Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta School jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue Recognition:

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Unrestricted contributions are recognized as revenue when received and receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is applied.

Capital Assets:

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis. Capital assets transferred from other jurisdictions are recorded at their net book value and amortized over the remaining useful lives on a straight-line basis.

Buildings	10 to 40 years
Site development	20 years
Furniture, equipment	5 to 10 years

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School Generated Funds:

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. Yearbook sales, graduation fees, field trip fees, etc.)

THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION
REGION NO. 4

Notes to the Financial Statements
August 31, 2004

Financial Instruments:

The jurisdiction's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Vacation Pay:

Vacation pay is accrued in the period in which the employee earns the benefit.

Prepaid expenses:

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed Services:

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Operating and Capital Reserves:

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Pensions:

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$19,137 for the year ended August 31, 2004 (\$14,533 in 2003). At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

Employee future benefits

The school jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the school jurisdiction at this time.

**THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION
REGION NO. 4**

Notes to the Financial Statements
August 31, 2004

3. CAPITAL ASSETS

	Cost	Accumulated Depreciations	Net Book Value 2004	Net Book Value 2003
	\$	\$	\$	\$
Building	5,188,757	297,403	4,891,354	5,040,056
Site development	552,654	69,592	483,062	517,858
Furniture & equipment	<u>636,540</u>	<u>169,237</u>	<u>467,303</u>	<u>155,744</u>
	<u>6,377,951</u>	<u>536,232</u>	<u>5,841,719</u>	<u>5,713,658</u>

4. DEFERRED REVENUE

	2004	2003
	\$	\$
Alberta Infrastructure – O & M	55,295	45,836
One Time PO & M funding (Alb. Infrastructure)	0	26,875
One Time grant (Alb. Learning)	0	15,088
Technology Integration Funding	0	33,863
Infrastructure maintenance program (formerly BQRP)	<u>104,444</u>	<u>91,345</u>
	<u>159,739</u>	<u>213,007</u>

5. UNAMORTIZED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the jurisdiction, or qualifying assets transferred from other jurisdictions have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION
REGION NO. 4

Notes to the Financial Statements
August 31, 2004

6. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	Balance Aug 31/03 \$	Appropriated \$	Used \$	Balance Aug 31/04 \$
Operating Reserves:				
Board and system admin.	2,298	50,340	0	52,638
School based	264,215	0	0	264,215
Transportation	<u>0</u>	<u>26,138</u>	<u>0</u>	<u>26,138</u>
	<u>266,513</u>	<u>76,478</u>	<u>0</u>	<u>342,991</u>
Capital Reserves:				
Equipment	<u>405,000</u>	<u>100,000</u>	<u>385,473</u>	<u>119,527</u>
Total	<u>671,513</u>	<u>176,478</u>	<u>385,473</u>	<u>462,518</u>

7. COMMITMENTS

Leases and service contracts:

The school jurisdiction currently leases space and signed a maintenance service contract. The future minimum payments for the next five years under these commitments are as follows:

	\$
2005	41,970
2006	1,990
2007	1,990
2008	0
2009	<u>0</u>
	<u>45,950</u>

The school jurisdiction also has agreements for transportation services and electricity services which are at a fixed rate per unit factor, which are in effect until 2005.

8. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

THE GREATER SOUTHERN SEPARATE CATHOLIC FRANCOPHONE EDUCATION
REGION NO. 4

Notes to the Financial Statements
August 31, 2004

9. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$3,600,674	\$255,424	\$3,345,250		\$857,599			\$4,202,849	
(2) Support block	\$1,257,599	\$0	\$0		\$0			\$0	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	
(4) Alberta Initiative for School Improvement (AIS)	\$68,880	\$0	\$68,880		\$0			\$0	
(5) Student Health Initiative (SHI)	\$12,500	\$0	\$12,500		\$0			\$0	
(6) SuperNet Access	\$0	\$0	\$0		\$0			\$0	
(7) Teacher Salary Enhancement (TSE)	\$140,000	\$12,600	\$127,400		\$0			\$0	
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0		\$0			\$0	
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0		\$0			\$0	
(10) Other Alberta Learning revenues	\$0	\$0	\$0		\$0			\$0	
(11) Total Alberta Learning Revenue	\$5,076,653	\$268,024	\$3,554,030	\$0	\$857,599			\$4,202,849	
Alberta Infrastructure									
(12) Expensed IMP (BOP) support & portable relocations	\$8,024			\$8,024					
(13) Operations & Maintenance support	\$404,259			\$404,259					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$502,283			\$502,283					
(16) Alberta Finance	\$0			\$0					
(17) Other - Government of Alberta	\$2,000	\$0	\$0	\$0	\$0			\$2,000	
(18) Federal Government and/or First Nations	\$3,778	\$0	\$3,778	\$0	\$0			\$0	
(19) Other Alberta school authorities	\$4,518	\$0	\$4,518	\$0	\$0			\$0	
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	
(22) Instruction resource fees	\$4,121	\$0	\$4,121		\$0			\$0	
(23) Transportation fees	\$5,700	\$0	\$5,700		\$5,700			\$0	
(24) Other sales and services	\$172	\$0	\$172	\$0	\$0			\$0	
(25) Investment income	\$12,845	\$0	\$0	\$0	\$12,845			\$0	
(26) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	
(27) Rentals of facilities	\$665	\$0	\$0	\$665	\$0			\$0	
(28) Net school generated funds	\$26,109	\$0	\$26,109	\$0	\$0			\$0	
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	
(30) Amortization of capital allocations	\$213,314		\$213,314	\$183,498	\$0			\$0	
(31) TOTAL REVENUES	\$5,855,228	\$268,024	\$3,622,814	\$586,446	\$576,144			\$4,202,849	
EXPENSES									
(32) Certificated salaries	\$2,872,795	\$234,325	\$2,638,470					\$2,638,470	
(33) Certificated benefits	\$306,297	\$30,180	\$276,117					\$276,117	
(34) Uncertificated salaries and wages	\$433,513	\$13,154	\$420,359	\$22,057	\$1,753			\$434,169	
(35) Uncertificated benefits	\$86,348	\$3,256	\$83,092	\$3,085	\$2,168			\$88,346	
(36) SUB - TOTAL	\$3,498,949	\$280,858	\$3,218,091	\$28,242	\$23,921			\$3,242,013	
(37) Services, contracts & supplies	\$1,896,087	\$18,215	\$1,877,872	\$178,208	\$882,128			\$1,960,000	
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0			\$0	
(39) Net school generated funds	\$26,109	\$0	\$26,109	\$0	\$0			\$0	
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$213,314	\$0	\$213,314	\$183,498	\$0			\$213,314	
(41) Unsupported	\$14,943	\$0	\$14,943	\$0	\$0			\$14,943	
(42) Total Amortization	\$228,257	\$0	\$228,257	\$183,498	\$0			\$228,257	
Interest on capital debt									
(43) Supported	\$0	\$0	\$0	\$0	\$0			\$0	
(44) Unsupported	\$0	\$0	\$0	\$0	\$0			\$0	
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0			\$0	
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	
(47) TOTAL EXPENSES	\$3,709,382	\$207,075	\$3,471,178	\$586,446	\$506,627			\$3,444,663	
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$145,846	(502,651)	\$119,438	\$0	(330,483)			\$119,438	

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						Student Health Initiative	Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement		
Certificated salaries	\$1,808,968	\$204,079	\$31,958	\$62,129	\$21,658	\$77,669	\$0	\$2,345,067
Certificated benefits	\$212,378	\$29,873	\$3,754	\$7,235	\$2,768	\$8,932	\$0	\$264,860
Uncertificated salaries and wages	\$112,979	\$102,598	\$33,695	\$18,132	\$0	\$0	\$9,776	\$277,181
Uncertificated benefits	\$27,647	\$25,968	\$5,909	\$5,188	\$0	\$0	\$2,891	\$67,231
SUB - TOTAL REMUNERATION	\$2,219,872	\$442,747	\$75,314	\$92,684	\$24,424	\$86,601	\$12,667	\$2,954,440
Services, contracts & supplies	\$335,655	\$40,217	\$0	\$11,253	\$0	\$370	\$0	\$387,495
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$26,109							\$26,109
Amortization of capital assets								
Supported	\$29,816	\$0	\$0					\$29,816
Unsupported	\$72,316	\$0	\$0					\$72,316
Total Amortization	\$102,132	\$0	\$0	\$0	\$0	\$0	\$0	\$102,132
Interest on capital debt								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0	\$0					\$0
TOTAL EXPENSES	\$2,683,868	\$482,964	\$75,314	\$103,937	\$24,454	\$86,971	\$12,667	\$3,470,176
FTE Certificated				1.2	0.4			
FTE Uncertificated				1.0	0.3			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK RE-ALLOCATOR	TOTAL REVENUE		
Basic Instruction	\$2,471,964	\$186,351	\$64,453	\$0	\$2,722,768	\$2,722,768	\$0
School Admin & Instruction Support Expenses							
System Instruction Support Expenses							
Total Basic Instruction	\$2,471,964	\$186,351	\$64,453	\$0	\$2,722,768	\$2,722,768	\$0
Sub-Programs & Initiatives							
Severely Disabled	\$64,234	\$4,015	\$0		\$68,249	\$24,454	\$43,795
English as a Second Language	\$73,600				\$73,600	\$36,482	\$37,118
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0		\$0		\$0	\$0	\$0
Institutional Programs	\$0				\$0	\$0	\$0
Sports & Distance	\$431,841				\$431,841	\$13,525	\$428,316
Growth & Density	\$13,525				\$13,525	\$14,995	\$0
Teacher Assistants Program	\$14,995				\$14,995	\$26,777	\$11,782
Early Literacy Initiative (K-2)	\$26,777				\$26,777	\$0	\$26,777
Learning Resources Credit & Resources for the Classroom	\$22,808	\$16,414	\$4,131		\$43,353	\$111,622	\$68,269
Technology Integration	\$57,799		\$0		\$57,799	\$94,586	\$36,787
French Language Program & Francisation (all jurisdictions)	\$167,907		\$0		\$167,907	\$0	\$167,907
Home Education	\$0		\$0		\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$973,286	\$208,780	\$68,584	\$0	\$1,250,650	\$282,139	\$968,511
INSTRUCTION, GRADES 1-12	\$3,345,250	\$395,131	\$133,037	\$0	\$3,873,418	\$3,470,176	\$403,242

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$3,542,875
Support Block - Transportation		\$857,599
SUBTOTAL		\$4,400,474
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$494,259
Teacher Salary Enhancement		\$140,000
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$2,000
Federal government/First Nations		\$3,778
Other Alberta school authorities		\$4,578
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$172
Interest on investments		\$12,845
Rentals of facilities		\$665
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$213,314
School generated funds (Schedule E)		\$115,344
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$5,387,429
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		6.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$323,246
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	400,000	\$400,000
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$400,000
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$349,660
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$50,340
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$400,000
Maximum Expense Limit for Board & System Administration (Step 3)		\$400,000
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		\$0

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$19,161
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$115,344	
Less: SGF - related cost recoveries (Note 3)	\$117,233	
- capitalized at the District level (Note 4)	\$0	
Net Total	(\$1,889)	
Plus: Donations Received (Note 5)	\$21,469	
Equals: Net Additions to SGF		\$19,580
Net SGF Available for discretionary spending		\$38,741
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$26,109
Unexpended SGF - Closing Balance August 31, 2004		\$12,632
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$0	\$0	\$0	\$22,057	\$22,057		\$22,057
Uncertificated benefits	\$0	\$0	\$0	\$0	\$2,685	\$2,685		\$2,685
Sub-total Remuneration	\$0	\$0	\$0	\$0	\$24,742	\$24,742		\$24,742
Contracted Services	\$149,300	\$192,603	\$0	\$8,024	\$3,469	\$353,396		\$353,396
Supplies	\$716	\$41,304	\$0	\$0	\$0	\$42,020		\$42,020
Electricity			\$48,776			\$48,776		\$48,776
Natural Gas/Heating Fuel			\$26,234			\$26,234		\$26,234
Sewer and Water			\$4,357			\$4,357		\$4,357
Telecommunications			\$403			\$403		\$403
Insurance					\$3,020	\$3,020		\$3,020
Net school generated funds	\$0	\$0	\$0	\$0		\$0		\$0
Amortization of capital assets								
Supported							\$183,498	\$183,498
Unsupported							\$183,498	\$183,498
Total Amortization								
Interest on capital debt								
Supported								
Unsupported				\$0		\$0	\$0	\$0
Other interest charges								
Losses on disposal of capital assets								
Cost recoveries & transfers								
TOTAL EXPENSES	\$150,016	\$233,907	\$79,770	\$8,024	\$31,231	\$502,948	\$183,498	\$686,446
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						7,401.3
Contracted Services	0.0	0.0						0.0

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt.

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Greater St. Albert Catholic Regional Division No. 29

Legal Name of School Jurisdiction

6 St. Vital Avenue, St. Albert, AB T8N 1K2

Mailing Address

(780)459-7711 Phone and (780) 458-3213 Fax

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Greater St. Albert Catholic Regional Division No. 29

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Jacquie Hansen

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Mr. Jerry Zimmer

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Mr. Al Summers

Name

"ORIGINAL SIGNED"

Signature

29-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Auditors' Report

To the Board of Trustees of
Greater St. Albert Catholic Regional Division No. 29

We have audited the statement of financial position of the Greater St. Albert Catholic Regional Division No. 29 as at August 31, 2004, and the statements of revenues and expenses, cash flows, changes in net assets, and capital allocations for the year then ended. These financial statements are the responsibility of the Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Division as at August 31, 2004, and the results of its operations, cash flows, changes in net assets, and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

Chartered Accountants

October 22, 2004

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$14,633	\$1,117,651
Accounts receivable (net after allowances)	\$2,578,606	\$2,652,358
Prepaid expenses	\$550,117	\$803,575
Other current assets	\$0	\$0
Total current assets	\$3,143,356	\$4,573,584
School generated assets	\$1,067,520	\$1,033,035
Trust assets	\$314,827	\$282,987
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$1,396,416	\$1,396,416
Buildings	\$60,241,852	
Less: accumulated amortization	(\$25,812,168)	\$35,188,717
Equipment	\$14,116,070	
Less: accumulated amortization	(\$13,211,982)	\$942,505
Vehicles	\$185,860	
Less: accumulated amortization	(\$114,338)	\$18,017
Total capital assets	\$36,801,710	\$37,545,655
TOTAL ASSETS	\$41,327,413	\$43,435,261
LIABILITIES		
Current liabilities		
Bank indebtedness	\$900,000	\$0
Accounts payable and accrued liabilities	\$2,083,124	\$2,054,217
Deferred revenue	\$527,137	\$1,219,647
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$1,384,468	\$1,499,994
Total current liabilities	\$4,894,729	\$4,773,858
School generated liabilities	\$1,067,520	\$1,033,035
Trust liabilities	\$314,827	\$282,987
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$13,694,762	\$15,049,457
Less: Current portion of supported debt	(\$1,302,468)	(\$1,354,695)
Unsupported: Debentures and Capital Loans	\$278,000	\$360,000
Capital Leases	\$0	\$63,299
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	(\$82,000)	(\$145,299)
Unamortized capital allocations	\$16,716,081	\$16,909,355
Total long term liabilities	\$30,686,722	\$32,198,139
TOTAL LIABILITIES	\$35,581,451	\$36,971,997
NET ASSETS		
Unrestricted net assets	(\$1,368,097)	\$17,405
Operating Reserves	\$0	\$281,123
Accumulated Operating Surplus (Deficit)	(\$1,368,097)	\$298,528
Investment in capital assets	\$6,112,867	\$5,163,544
Capital Reserves	\$1,001,192	\$1,001,192
Total Capital Funds	\$7,114,059	\$6,164,736
Total net assets	\$5,745,962	\$6,463,264
TOTAL LIABILITIES AND NET ASSETS	\$41,327,413	\$43,435,261

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$41,031,599	\$43,027,350	\$40,143,605
Alberta Infrastructure	\$4,667,129	\$4,033,549	\$4,919,900
Alberta Finance	\$1,362,611	\$1,640,000	\$1,527,328
Other Government of Alberta	\$2,098,139	\$0	\$2,222,981
Federal Government and/or First Nations	\$206,862	\$171,392	\$204,928
Other Alberta school authorities	\$0	\$0	\$35,021
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$862,239	\$657,900	\$1,075,089
Transportation fees	\$248,263	\$245,755	\$247,511
Other sales and services	\$399,715	\$0	\$427,798
Investment income	\$42,685	\$80,000	\$90,344
Gifts and donations	\$20,000	\$0	\$0
Rentals of facilities	\$0	\$0	\$4,500
Net school generated funds	\$205,798	\$250,000	\$400,967
Gains on disposal of capital assets	\$7,763	\$0	\$512,234
Amortization of capital allocations	\$1,547,969	\$1,605,000	\$1,383,606
Total Revenues	\$52,700,772	\$51,710,946	\$53,195,812
EXPENSES			
Certificated salaries	\$26,282,849	\$24,475,574	\$25,878,993
Certificated benefits	\$3,231,778	\$3,611,980	\$3,172,564
Uncertificated salaries and wages	\$7,515,096	\$6,384,696	\$7,088,560
Uncertificated benefits	\$1,823,341	\$1,675,476	\$1,679,476
Services, contracts and supplies	\$10,871,868	\$11,421,106	\$11,912,226
Net school generated funds	\$205,798	\$250,000	\$400,967
Capital and debt services			
Amortization of capital assets			
Supported	\$1,563,969	\$1,605,000	\$1,383,606
Unsupported	\$520,405	\$615,614	\$576,943
Total Amortization of capital assets	\$2,084,374	\$2,220,614	\$1,960,549
Interest on capital debt			
Supported	\$1,357,830	\$1,640,000	\$1,493,336
Unsupported	\$24,058	\$31,500	\$30,532
Total Interest on capital debt	\$1,381,888	\$1,671,500	\$1,523,868
Other interest charges	\$21,082	\$0	\$7,680
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$53,418,074	\$51,710,946	\$53,624,883
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$717,302)	\$0	(\$429,071)
Unrestricted revenues used for capital purposes	\$0	\$0	\$588,123
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$717,302)	\$0	\$159,052

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$717,302)	\$159,052
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,547,969)	(\$1,383,606)
Total amortization expense	\$2,084,374	\$1,960,549
Gains on disposal of capital assets	(\$7,763)	(\$512,234)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$73,752	(\$892,014)
Prepays and other current assets	\$253,458	(\$116,395)
Long term accounts receivable	\$0	\$25,326
Long term investments	\$0	(\$759,977)
Payables and accrued liabilities	\$28,907	\$0
Deferred revenue	(\$692,510)	\$0
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$525,053)	(\$1,519,299)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,020,157)	(\$1,493,691)
Equipment	(\$253,735)	(\$154,492)
Vehicles	(\$66,537)	\$0
Net proceeds from disposal of capital assets	\$7,763	\$850,243
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,332,666)	(\$797,940)
C. FINANCING ACTIVITIES		
Capital allocations received	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,499,994)	(\$1,600,996)
Add back: supported portion	\$1,354,695	\$1,438,609
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	(\$145,299)	(\$162,387)
Net sources (uses) of cash equivalents* during year	(\$2,003,018)	(\$2,479,626)
Cash Equivalents at the beginning of the year	\$1,117,651	\$3,597,277
Cash Equivalents at the end of the year	(\$885,367)	\$1,117,651

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS (in dollars)								(13) External Services	(14) Unrestricted Capital Reserves
					(5) School Based Unrestricted Operating Reserves	(6) Unrestricted Capital Reserves	(7) Unrestricted O & M Operating Reserves	(8) Infrastructure Unrestricted Capital Reserves	(9) Board & System Admin. Unrestricted Operating Reserves	(10) Unrestricted Capital Reserves	(11) Transportation Unrestricted Operating Reserves	(12) Unrestricted Capital Reserves		
Balance at August 31, 2003	\$6,463,264	\$5,163,544	\$17,405	\$1,282,315	\$0	\$488,958	\$0	\$0	\$0	\$512,234	\$281,123	\$0	\$0	\$0
Prior period adjustments (describe)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug. 31, 2003	\$6,463,264	\$5,163,544	\$17,405	\$1,282,315	\$0	\$488,958	\$0	\$0	\$0	\$512,234	\$281,123	\$0	\$0	\$0
Surplus(def) of revenue over expenses	(\$717,302)		(\$717,302)											
Board funded capital transactions		\$1,340,429	(\$1,340,429)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0	\$0											
Amortization of capital assets		(\$2,084,374)	\$2,084,374											
Amortization of capital allocations		\$1,547,969	(\$1,547,969)											
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0	\$0	\$0
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0								
Debt principal payments (unsupported)		\$145,299	(\$145,299)											
Net transfers to operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$281,123	(\$281,123)	\$0		\$0		\$0		(\$281,123)		\$0	
Net transfers to capital reserves			\$0	\$0		\$0				\$0			\$0	\$0
Net transfers from capital reserves			\$0	\$0		\$0				\$0			\$0	\$0
Balance at August 31, 2004	\$5,745,962	\$6,112,867	(\$1,368,097)	\$1,001,192	\$0	\$488,958	\$0	\$0	\$0	\$512,234	\$0	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$16,909,355
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,354,695
Expended capital allocations - current year	\$0	\$0
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,547,969
Balance at August 31, 2004	\$0	\$16,716,081

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29
Notes to the Financial Statements
Year ended August 31, 2004

1. AUTHORITY AND PURPOSE

The Greater St. Albert Catholic Regional Division No. 29 (the Division) was formed effective January 1, 1995, and is empowered to provide public Catholic education to its resident students under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002, through bylaws and policies approved by its Board of Trustees and pursuant to the provisions of the Alberta School Act. The Division was formed when the assets and liabilities of the Legal School District No. 1738, Thibault Roman Catholic Public School District No. 35, and St. Albert School District No. 3 were transferred to the Division on January 1, 1995. The three individual boards were dissolved at midnight on December 31, 1994, and the Board of the Greater St. Albert Catholic Regional Division No. 29 was established. On September 1, 1998, the Guibault Roman Catholic Separate School District No. 552 joined the Division.

The Division receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

Instruction and support allocations are recognized in the year to which they relate.

Credit Enrolment Units (CEUS) revenue, which is recorded in Alberta Learning revenues, is recorded in the year in which the amounts are reasonably determinable and collectible.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment Funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations that are amortized to revenue on the same basis as the capital asset acquired by the grant.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29

Notes to the Financial Statements

Year ended August 31, 2004

2. ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	10 to 40 years
Equipment	5 and 10 years
Vehicles	5 and 10 years

Amortization of capital assets commences in the year following acquisition. Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related assets.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are collected and retained at the school level for expenditures at the school level.

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Financial instruments

The Division's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long-term debt. It is management's opinion that the Division is not exposed to significant, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The Division has invested surplus funds in accordance with Section 44 of the School Act and Section 5 of the Trustees Act.

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies that will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools that are within the Division to ensure that certain programs are delivered, such as kindergarten, lunch services, and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29
Notes to the Financial Statements
Year ended August 31, 2004

2. ACCOUNTING POLICIES (continued)

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the Division or externally to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits

The Division accrues its obligations under employee future benefit plans and expenses the related costs. There is no financial impact on the Division at this time.

Use of estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

3. PENSION OBLIGATION

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers' Pension Plan Act, the Greater St. Albert Catholic Regional Division No. 29 does not make pension contributions for certificated staff.

The Division participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this plan is equivalent to the annual contributions of \$453,542 (2003 - \$322,260) for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported a deficit of \$1,410,987,000 (2002 - deficit of \$444,980,000).

4. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Province of Alberta	\$ 2,204,072	\$ 1,968,592
Federal Government	96,570	141,620
Other	277,964	542,146
	<u>\$ 2,578,606</u>	<u>\$ 2,652,358</u>

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29
Notes to the Financial Statements
Year ended August 31, 2004

5. PREPAID EXPENSES

Included in prepaid expenses are payments for textbooks, general instructional supplies, and custodial supplies. At August 31, 2004, these payments amounted to \$422,082 (2003 - \$640,188).

6. TRUST ASSETS AND LIABILITIES

Trust assets and liabilities are accounts that the Division is not entitled to, but which they manage on behalf of others. Included in the trust accounts are the following items:

	2004	2003
Student Health Initiative Program	\$ 237,911	\$ 72,160
Deferred salary leave plan	57,612	191,319
Frank Nigro	14,139	14,206
Father Primeau	2,824	2,764
Joelle Cloutier	2,341	2,538
	<u>\$ 314,827</u>	<u>\$ 282,987</u>

7. CAPITAL ASSETS

	2004			2003
	Cost	Accumulated Amortization	Net Book Value	Net Book Value (restated)
Land	\$ 1,396,416	\$ -	\$ 1,396,416	\$ 1,396,416
Buildings	60,241,852	25,812,168	34,429,684	35,188,717
Equipment	14,116,070	13,211,982	904,088	942,505
Vehicles	185,860	114,338	71,522	18,017
	<u>\$ 75,940,198</u>	<u>\$ 39,138,488</u>	<u>\$ 36,801,710</u>	<u>\$ 37,545,655</u>

8. BANK INDEBTEDNESS

The Division has negotiated a line of credit in the amount of \$5,000,000 that bears interest at the bank prime rate. There was a balance of \$900,000 outstanding on the line of credit at August 31, 2004.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29**Notes to the Financial Statements**

Year ended August 31, 2004

9. DEFERRED REVENUE

	<u>2004</u>	<u>2003</u>
Transportation	\$ 191,955	\$ 215,071
AISI	127,145	265,427
Plant operations and maintenance funding	-	341,542
Other	208,037	397,607
	<u>\$ 527,137</u>	<u>\$ 1,219,647</u>

10. LONG-TERM DEBT

	<u>2004</u>	<u>2003</u>
Debentures outstanding at August 31, 2004, have interest rates that vary between 5.6% and 12%. The terms of the debentures range from 10 to 25 years with payments of principal and interest made annually.	\$ 13,972,762	\$ 15,409,457
Less current portion	(1,384,468)	(1,436,695)
	<u>\$ 12,588,294</u>	<u>\$ 13,972,762</u>

Principal repayments required in each of the next five fiscal years are as follows:

	<u>Supported</u>	<u>Unsupported</u>	<u>Total</u>
2005	\$ 1,302,468	\$ 82,000	\$ 1,384,468
2006	1,208,934	82,000	1,290,934
2007	1,184,467	76,000	1,260,467
2008	1,157,931	38,000	1,195,931
2009	1,106,817	-	1,106,817

11. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations relate to grants received from Alberta Infrastructure for the acquisition of capital assets or the repayment of debt originally incurred for the purpose of acquiring capital assets. When the capital asset is complete, the applicable unamortized capital allocation amount is amortized as revenue over the same period of time that the capital asset is amortized to expense.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29
Notes to the Financial Statements
Year ended August 31, 2004

12. RESTRICTED SURPLUS

	2004	2003
Operating		
Transportation	\$ -	\$ 281,123
Capital		
Board and system administration	512,234	512,234
School based	488,958	488,958
	1,001,192	1,001,192
	\$ 1,001,192	\$ 1,282,315

Restricted operating surpluses represent funds allocated for future operating expenditures in the specific programs. Restricted capital represents funds allocated for future capital expenditures. The funds are established and expended in accordance with terms and conditions established by the Board of Trustees.

13. RELATED PARTY TRANSACTIONS

The Division has received the following allocations from the Province of Alberta:

	2004	2003
Alberta Learning	\$ 41,031,599	\$ 40,143,605
Alberta Infrastructure	4,667,129	4,919,900
Alberta Finance	1,362,611	1,527,328
Other Government of Alberta	2,098,139	2,222,981
	\$ 49,159,478	\$ 48,813,814

Accounts receivable includes \$2,204,072 (2003 - \$1,968,592) from the Province of Alberta.

14. COMMITMENTS

The Division has the following minimum commitments under equipment leases and supply contracts over the next five years:

2005	\$ 297,754
2006	271,821
2007	261,302
2008	247,678
2009	201,566

In addition to the above, the Division has entered into an agreement for the purchase of electricity at a flat-fixed rate of 8.43 cents per kilowatt-hour. The agreement expires December 31, 2005.

GREATER ST. ALBERT CATHOLIC REGIONAL DIVISION NO. 29
Notes to the Financial Statements
Year ended August 31, 2004

15. CONTINGENCIES

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. The payments have been recorded as expenditures in the financial statements, as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

16. FINANCIAL INSTRUMENTS

Interest rates

The Division's bank indebtedness is subject to fluctuations in interest rates. For each 1% change in the rate of interest, assuming a consistent principal balance, the change in annual interest expense is approximately \$9,000.

17. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

18. BUDGET AMOUNTS

The budget was prepared by the Division's management and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$33,156,398	\$2,598,169	\$30,558,229						
(2) Support block	\$3,384,655	\$0	\$0		\$1,754,146			\$1,630,509	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$1,006,718	\$0	\$1,006,718						
(5) Student Health Initiative (SHI)	\$337,269	\$0	\$337,269						
(6) Supernet Access	\$0	\$0	\$0						\$15,177
(7) Teacher Salary Enhancement (TSE)	\$1,603,000	\$66,630	\$1,472,250						
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$64,120	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$1,543,559	\$4,222	\$1,476,437	\$0	\$26,900			\$34,000	\$0
(11) Total Alberta Learning Revenue	\$41,031,599	\$2,669,021	\$34,935,726	\$0	\$1,781,046			\$1,728,629	\$15,177
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$215,652			\$215,652					
(13) Operations & Maintenance support	\$4,109,935			\$4,109,935					
(14) Operations & Maintenance support (One-Time)	\$341,542			\$341,542					
(15) Total Alberta Infrastructure Revenue	\$4,667,129			\$4,667,129					
(16) Alberta Finance	\$1,362,611			\$1,362,611					
(17) Other - Government of Alberta	\$2,088,139	\$88,662	\$2,009,477	\$0	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$206,862	\$0	\$198,986	\$0	\$0			\$7,876	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$862,239	\$0	\$862,239					\$0	\$0
(23) Transportation fees	\$248,263				\$248,263				
(24) Other sales and services	\$399,715	\$0	\$0	\$9,043	\$0			\$2,653	\$387,819
(25) Investment income	\$42,065	\$0	\$0	\$0	\$0			\$42,885	\$0
(26) Gifts and donations	\$20,000	\$0	\$0	\$0	\$20,000			\$0	\$0
(27) Rentals of facilities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(28) Net school generated funds	\$205,768	\$0	\$205,768	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$7,763	\$0	\$0	\$3,920	\$2,343			\$1,500	\$0
(30) Amortization of capital allocations	\$1,547,869	\$0	\$1,547,869	\$1,547,869	\$0			\$0	\$0
(31) TOTAL REVENUES	\$52,700,772	\$2,757,683	\$38,112,226	\$7,590,672	\$2,053,652			\$1,783,543	\$400,898
EXPENSES									
(32) Certificated salaries	\$26,282,449	\$1,128,770	\$24,887,405					\$266,674	\$0
(33) Certificated benefits	\$3,231,778	\$143,601	\$3,081,324					\$26,353	\$0
(34) Uncertificated salaries and wages	\$7,515,096	\$971,074	\$5,174,424	\$568,821	\$132,430			\$59,991	\$0
(35) Uncertificated benefits	\$1,823,341	\$209,660	\$1,292,795	\$137,130	\$18,628			\$30,413	\$0
(36) SUB - TOTAL	\$38,853,664	\$2,455,125	\$34,416,448	\$725,951	\$151,058			\$90,404	\$0
(37) Services, contracts & supplies	\$10,871,866	\$116,748	\$10,928,924	\$3,945,554	\$1,861,500			\$1,014,078	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0			\$610,345	\$404,996
(39) Net school generated funds	\$205,768	\$0	\$205,768	\$0	\$0			\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported									
(41) Unsupported	\$1,563,869	\$0	\$16,000	\$1,547,869	\$0			\$0	\$0
(42) Total Amortization	\$526,405	\$0	\$228,313	\$218,805	\$1,800			\$71,487	\$0
Interest on capital debt	\$2,084,374	\$0	\$244,313	\$1,766,774	\$1,800			\$71,487	\$0
(43) Supported									
(44) Unsupported	\$1,357,830	\$0	\$0	\$1,357,830	\$0			\$0	\$0
(45) Other interest charges	\$24,058	\$0	\$0	\$24,058	\$0			\$0	\$0
(46) Losses on disposal of capital assets	\$21,082	\$0	\$0	\$0	\$0			\$21,082	\$0
(47) TOTAL EXPENSES	\$53,418,074	\$2,271,874	\$38,795,483	\$7,824,177	\$2,014,448			\$1,575,618	\$404,996
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	(\$717,302)	\$1,885,809	(\$663,257)	(\$233,505)	\$39,204			\$1,807,395	(\$1,700)

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$19,646,782	\$2,827,706	\$214,534	\$921,970	\$540,691	\$635,722	\$0
Certificated benefits	\$2,507,318	\$291,638	\$20,554	\$104,313	\$72,488	\$65,513	\$0
Uncertificated salaries and wages	\$508,893	\$1,671,216	\$27,042	\$865,752	\$2,020,087	\$30,176	\$51,258
Uncertificated benefits	\$102,131	\$431,365	\$6,870	\$222,517	\$519,206	\$5,159	\$1,292,795
SUB - TOTAL REMUNERATION	\$22,765,124	\$5,221,925	\$269,000	\$2,114,552	\$3,252,472	\$736,570	\$34,416,448
Services, contracts & supplies	\$2,995,137	\$0	\$0	\$146,704	\$229,461	\$270,152	\$3,928,924
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$205,798						\$205,798
Amortization of capital assets							
Supported	\$16,000	\$0	\$0				\$16,000
Unsupported	\$228,313	\$0	\$0				\$228,313
Total Amortization	\$244,313	\$0	\$0	\$0	\$0	\$0	\$244,313
Interest on capital debt							
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$0	\$0				\$0
Other interest charges	\$0	\$0	\$0				\$0
Losses on disposal of capital assets	\$0	\$0	\$0				\$0
TOTAL EXPENSES	\$26,210,372	\$5,221,925	\$291,183	\$2,261,256	\$3,481,933	\$1,006,722	\$322,092
FTE Certificated				117	81		
FTE Uncertificated				29.3	68.0		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	INSTRUCTION BLOCK REALLOCATION	NON-ALBERTA LEARNING REVENUE	ALBERTA LEARNING OTHER REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE						
Basic Instruction	\$29,896,899	\$4,027,447	\$468,822	\$0	\$34,393,168	\$27,791,418	\$5,221,925	\$291,183	\$1,088,642	\$6,601,750	(\$5,221,925)
School Admin & Instruction Support Expenses											
System Instruction Support Expenses											
Total Basic Instruction	\$29,896,899	\$4,027,447	\$468,822	\$0	\$34,393,168	\$33,304,526	\$5,221,925	\$291,183	\$1,088,642	\$6,601,750	(\$5,221,925)
Sub-Programs & Initiatives											
Severely Disabled	\$0	\$54,000	\$1,646,852		\$1,700,852	\$3,481,933				(\$1,781,081)	
English as a Second Language	\$21,344				\$21,344	\$21,344				\$0	
Enhanced Opportunities	\$0				\$0	\$0				\$0	
First Nations, Metis, and Inuit Education	\$0				\$0	\$0				\$0	
Institutional Programs	\$0				\$0	\$0				\$0	
Sparsity & Distance	\$1,413				\$1,413	\$1,413				\$1,413	
Growth & Density	\$7,769				\$7,769	\$7,769				\$7,769	
Teacher Assistants Program	\$140,014				\$140,014	\$140,014				\$0	
Early Literacy Initiative (K-2)	\$256,541				\$256,541	\$256,541				\$0	
Learning Resources Credit & Resources for the Classroom	\$56,855	\$196,050	\$862,239		\$1,115,144	\$1,115,144				\$0	
Technology Integration	\$0		\$294,404		\$294,404	\$294,404				\$0	
French Language Program & Francisation (all jurisdictions)	\$177,394		\$0		\$177,394	\$177,394				\$0	
Home Education	\$0		\$4,183		\$4,183	\$4,183				\$0	
Total Sub-Programs & Initiatives	\$661,330	\$4,277,497	\$3,276,500	\$0	\$38,112,226	\$5,490,957	\$5,490,957	\$0	\$0	(\$1,771,899)	(\$683,257)
INSTRUCTION, GRADES 1-12	\$30,558,229	\$4,277,497	\$3,276,500	\$0	\$38,112,226	\$38,795,483	\$5,490,957	\$0	\$0	(\$1,771,899)	(\$683,257)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$33,156,398
Support Block - Transportation	\$1,754,146
SUBTOTAL	\$34,910,544
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$4,109,935
Teacher Salary Enhancement	\$1,603,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$2,098,139
Federal government/First Nations	\$206,862
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$399,715
Interest on investments	\$42,685
Rentals of facilities	\$0
Gains on disposal of capital assets	\$7,763
Amortization of capital allocations	\$1,547,969
School generated funds (Schedule E)	\$2,029,359
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$46,955,971
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,878,239
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,878,239
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,807,396
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,807,396
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,878,239
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$70,843

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$1,033,035
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$2,029,359	
Less: SGF - related cost recoveries (Note 3)	\$1,871,110	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$158,249	
Plus: Donations Received (Note 5)	\$82,034	
Equals: Net Additions to SGF		\$240,283
Net SGF Available for discretionary spending		\$1,273,318
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$205,798
Unexpended SGF - Closing Balance August 31, 2004		\$1,067,520
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$391,419	\$0	\$0	\$197,402	\$588,821		\$588,821
Uncertificated benefits	\$0	\$95,080		\$0	\$42,050	\$137,130		\$137,130
Sub-total Remuneration	\$0	\$486,499		\$0	\$239,452	\$725,951		\$725,951
Contracted Services	\$1,447,601	\$114,045	\$0	\$229,882	\$8,595	\$1,800,123		\$1,800,123
Supplies	\$56,265	\$657,169	\$0	\$0	\$54,238	\$767,672		\$767,672
Electricity			\$662,967			\$662,967		\$662,967
Natural Gas/Heating Fuel			\$543,219			\$543,219		\$543,219
Sewer and Water			\$58,144			\$58,144		\$58,144
Telecommunications			\$17,643			\$17,643		\$17,643
Insurance					\$99,796	\$99,796		\$99,796
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,547,969	\$1,547,969
Unsupported								
Total Amortization							\$218,805	\$218,805
Interest on capital debt							\$218,805	\$218,805
Supported								
Unsupported							\$1,357,830	\$1,357,830
Other interest charges				\$0		\$24,058		\$24,058
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,503,866	\$1,257,713	\$1,281,973	\$229,882	\$402,081	\$4,918,378	\$2,905,799	\$7,824,177
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	15.0						0.0
Contracted Services	13.0	0.0						0.0

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

Chairperson:

[illegible]

Note: Employed or contracted out.

Please explain below (on rows 49-51) where F/E is not equal to 1, 2, or 3.

Mr. Bill Hoppins resigned effective June 30, 2004 (FTE 6) and Mr. Jerry

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

High Prairie School Division #48

Legal Name of School Jurisdiction

Box 870, High Prairie, Alberta T0G 1E0

Mailing Address

780-523-3337 (voice) 780-523-4639 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules High Prairie School Division #48
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Mrs. Joyce Dvornek

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Mr. Kenneth Riegel

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Mr. Paul Burrows

Name

"ORIGINAL SIGNED"

Signature

17-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees
High Prairie School Division No. 48

We have audited the statement of financial position of High Prairie School Division No. 48 as at August 31, 2004 and the statements of revenues and expenses, cash flow, capital allocations and changes in net assets for the year then ended. These financial statements are the responsibility of the School Division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School Division as at August 31, 2004 and the results of its operations, capital allocations, cash flow and changes in net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedule A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Peace River, Alberta
October 20, 2004

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$7,539,789	\$5,686,819
Accounts receivable (net after allowances)	\$1,051,072	\$1,916,817
Prepaid expenses	\$261,666	\$296,012
Other current assets	\$0	\$0
Total current assets	\$8,852,527	\$7,901,648
School generated assets	\$532,265	\$497,778
Trust assets	\$375,758	\$392,628
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$35,532,916	
Less: accumulated amortization	(\$14,207,441)	
Equipment	\$0	
Less: accumulated amortization	\$0	
Vehicles	\$5,926,659	
Less: accumulated amortization	(\$3,067,213)	
Total capital assets	\$24,184,921	\$25,110,476
TOTAL ASSETS	\$33,945,470	\$33,902,530
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,703,497	\$1,411,677
Deferred revenue	\$120,147	\$827,694
Deferred capital allocations	\$67,285	\$46,736
Current portion of all long term debt	\$514,202	\$587,098
Total current liabilities	\$2,405,131	\$2,873,205
School generated liabilities	\$532,265	\$497,778
Trust liabilities	\$375,758	\$392,628
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$2,310,701	\$2,866,717
Less: Current portion of supported debt	(\$480,108)	(\$556,015)
Unsupported: Debentures and Capital Loans	\$12,000	\$18,000
Capital Leases	\$0	\$0
Mortgages	\$66,514	\$91,597
Less: Current portion of unsupported debt	(\$34,093)	(\$31,083)
Unamortized capital allocations	\$18,411,687	\$18,187,469
Total long term liabilities	\$21,194,723	\$21,467,091
TOTAL LIABILITIES	\$23,599,854	\$24,340,296
NET ASSETS		
Unrestricted net assets	\$0	\$0
Operating Reserves	\$4,558,550	\$3,918,949
Accumulated Operating Surplus (Deficit)	\$4,558,550	\$3,918,949
Investment in capital assets	\$3,396,961	\$3,992,447
Capital Reserves	\$2,390,105	\$1,650,838
Total Capital Funds	\$5,787,066	\$5,643,285
Total net assets	\$10,345,616	\$9,562,234
TOTAL LIABILITIES AND NET ASSETS	\$33,945,470	\$33,902,530

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$25,179,957	\$25,195,106	\$24,840,912
Alberta Infrastructure	\$2,912,622	\$2,721,844	\$2,828,458
Alberta Finance	\$291,231	\$395,825	\$353,895
Other Government of Alberta	\$48,501	\$0	\$4,800
Federal Government and/or First Nations	\$2,051,854	\$1,503,345	\$1,936,568
Other Alberta school authorities	\$262,385	\$40,500	\$218,667
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$1,665	\$1,715	\$2,084
Instruction resource fees	\$241,454	\$186,403	\$215,268
Transportation fees	\$155,655	\$152,000	\$150,053
Other sales and services	\$208,761	\$27,544	\$166,239
Investment income	\$151,508	\$96,000	\$190,533
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$34,203	\$25,238	\$18,055
Net school generated funds	\$278,024	\$527,000	\$253,451
Gains on disposal of capital assets	\$12,697	\$0	\$11,318
Amortization of capital allocations	\$594,618	\$594,618	\$594,618
Total Revenues	\$32,425,134	\$31,467,138	\$31,784,919
EXPENSES			
Certificated salaries	\$14,238,085	\$13,844,747	\$13,665,893
Certificated benefits	\$1,597,084	\$1,513,278	\$1,443,352
Uncertificated salaries and wages	\$6,039,354	\$5,567,390	\$6,172,955
Uncertificated benefits	\$1,258,308	\$987,685	\$1,279,358
Services, contracts and supplies	\$6,714,676	\$7,783,678	\$6,347,873
Net school generated funds	\$278,024	\$527,000	\$253,451
Capital and debt services			
Amortization of capital assets			
Supported	\$594,618	\$594,618	\$594,618
Unsupported	\$619,204	\$607,940	\$544,877
Total Amortization of capital assets	\$1,213,822	\$1,202,558	\$1,139,495
Interest on capital debt			
Supported	\$291,051	\$395,825	\$353,655
Unsupported	\$11,348	\$13,872	\$14,925
Total Interest on capital debt	\$302,399	\$409,697	\$368,580
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$24,425
Total Expenses	\$31,641,752	\$31,836,033	\$30,695,382
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$783,382	(\$368,895)	\$1,089,537
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$783,382	(\$368,895)	\$1,089,537

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$783,382	\$1,089,537
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$594,618)	(\$594,618)
Total amortization expense	\$1,213,822	\$1,139,495
Gains on disposal of capital assets	(\$12,697)	(\$11,318)
Losses on sale of capital assets	\$0	\$24,425
Changes in accrued accounts:		
Accounts receivable	\$865,745	(\$1,041,502)
Prepays and other current assets	\$34,346	(\$38,602)
Long term accounts receivable	\$0	
Long term investments	\$0	
Payables and accrued liabilities	\$291,820	(\$1,554,520)
Deferred revenue	(\$707,547)	(\$395,924)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$1,874,253	(\$1,383,027)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$295,632)	(\$4,818,914)
Equipment	\$0	\$0
Vehicles	(\$43,355)	(\$925,980)
Net proceeds from disposal of capital assets	\$63,417	\$83,395
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$275,570)	(\$5,661,499)
C. FINANCING ACTIVITIES		
Capital allocations received	\$316,181	\$1,470,531
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$587,099)	(\$635,903)
Add back: supported portion	\$523,204	\$523,204
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$252,286	\$1,357,832
Net sources (uses) of cash equivalents* during year	\$1,850,970	(\$5,686,694)
Cash Equivalents at the beginning of the year	\$5,688,819	\$11,375,513
Cash Equivalents at the end of the year	\$7,539,789	\$5,688,819

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(12) Transportation	(13) External Services	
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Transportation		(10) External Services				
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves			
Balance at August 31, 2003	\$9,562,234	\$3,992,447	\$0	\$5,569,787	\$3,200,631	\$34,885	\$221,024	\$289,252	\$466,759	\$116,878	\$30,535	\$1,209,823	\$0	\$0			
Prior period adjustments (describe)																	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Adjusted Balance, Aug 31, 2003	\$9,562,234	\$3,992,447	\$0	\$5,569,787	\$3,200,631	\$34,885	\$221,024	\$289,252	\$466,759	\$116,878	\$30,535	\$1,209,823	\$0	\$0			
Surplus(def) of revenue over expenses	\$783,382		\$783,382														
Board funded capital transactions		\$43,355		(\$43,355)	\$0	\$0	\$0	(\$43,355)	\$0	\$0	\$0	\$0	\$0	\$0			
Donations of non-amortizable assets	\$0	\$0															
Amortization of capital assets		(\$1,213,822)	\$1,213,822														
Amortization of capital allocations		\$594,618	(\$594,618)														
Disposal of unsupported capital assets	\$0	(\$50,720)	(\$12,697)	\$63,417		\$0		\$56,917		\$0		\$6,500		\$0			
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0		\$0		\$0		\$0		\$0			
Debt principal payments (Unsupported)		\$31,083	(\$31,083)														
Net transfers to operating reserves			(\$639,601)	\$639,601	\$371,533		\$140,740		\$36,169			\$91,159		\$0			
Net transfers from operating reserves			\$0	\$0	\$0		\$0		\$0			\$0		\$0			
Net transfers to capital reserves			(\$719,204)	\$719,204		\$7,367		\$174,989		\$0,584		\$530,265		\$0			
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0			
Balance at August 31, 2004	\$10,345,616	\$3,396,961	\$0	\$6,948,655	\$3,572,164	\$42,252	\$361,764	\$477,803	\$502,928	\$123,462	\$121,694	\$1,746,588	\$0	\$0			

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$46,736	\$18,187,469
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$316,181	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$523,204
Expended capital allocations - current year	(\$295,632)	\$295,632
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$594,618
Balance at August 31, 2004	\$67,285	\$18,411,687

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

HIGH PRAIRIE SCHOOL DIVISION NO. 48

Notes to the Financial Statements

Year ended August 31, 2004

1. AUTHORITY AND PURPOSE

The School Division delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002.

The School Division receives block allocations for instruction, support and capital purposes under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

Revenue is recognized as follows:

- i) Instruction and support allocations are recognized in the year to which they relate.
- ii) Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
- iii) Capital allocations from the Province or other agencies are recorded as deferred capital contributions. Once spent, they are amortized to revenue on the same basis as the capital asset acquired by the grant.
- iv) Unrestricted donations are recognized as revenue when received or receivable. Donations in kind are recorded at fair market value when reasonably determinable.
- v) Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining the fair value of the services and due to the fact that such assistance is generally not purchased, contributed services are not recognized in the financial statements.

Inventories

Inventories are recorded at the lesser of cost and net realizable value.

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2004

2. ACCOUNTING POLICIES (continued)

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school related items that will be consumed subsequent to year-end and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. year-book sales, graduation fees, field trip fees, etc.)

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5% to 10%
Vehicles	10% to 20%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the High Prairie School Division No. 48 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$122,906 (2003 - \$97,765) for the Year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

Employee future benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2004

2. ACCOUNTING POLICIES (continued)

Net investment in capital assets

Net investment in capital assets consists of an accumulation of amounts based on the following principles:

- i) an amount equal to the capital assets funded from capital reserves and government grants;
- ii) an amount equal to the principal repayments on long-term debt added to the equity in capital assets account in the year of repayment;
- iii) an amount equal to the net book value of capital assets disposals deleted from the equity in capital assets account in the year of disposal;
- iv) an amount equal to the depreciation on capital assets charged to the equity in capital assets account annually.

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Financial instruments

The School Division's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the School Division is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair value of these instruments approximates their carrying value.

Statement of cash flow

The statement of cash flow has been prepared using the indirect method.

3. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Provincial government	\$ 907,977	\$ 1,722,042
Federal government	\$ 68,415	\$ 104,203
Other	\$ 74,680	\$ 90,572
	<u>\$ 1,051,072</u>	<u>\$ 1,916,817</u>

4. SUPPORTED DEBENTURES RECEIVABLE

Supported debentures receivable consist of amounts receivable from the Province of Alberta for debentures repayments for items previously expensed.

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2004

5. CAPITAL ASSETS

	2004			2003
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Buildings	\$ 33,240,513	\$ 14,207,441	\$ 19,033,072	\$ 9,239,497
Vehicles	5,887,158	3,027,712	2,859,446	3,455,612
Construction in Progress	2,292,403	-	2,292,403	12,415,367
	<u>\$ 41,420,074</u>	<u>\$ 17,235,153</u>	<u>\$ 24,184,921</u>	<u>\$ 25,110,476</u>

6. DEFERRED REVENUE

	2004	2003
Modernization Block Funding	\$ -	\$ 283,311
One-Time Grant	-	268,799
Building Quality Restoration Program (BQRP)	-	103,459
AISI	82,096	98,324
Other	38,051	73,801
	<u>\$ 120,147</u>	<u>\$ 827,694</u>

7. LONG-TERM DEBT

	2004	2003
Debentures	\$ 2,322,701	\$ 2,884,717
Mortgage	66,514	91,597
Due within one year	(514,202)	(587,098)
	<u>\$ 1,875,013</u>	<u>\$ 2,389,216</u>

Debentures mature at various dates through November 15, 2013, bearing rates of interest from 6.875 percent to 12 percent. All debentures are supported as to principal and interest except for two debentures totalling \$12,000 (2003 - \$18,000).

The mortgages mature on March 15 and November 15, 2006, and they bear interest at 12 percent with annual principal and interest payments of \$36,076.

HIGH PRAIRIE SCHOOL DIVISION NO. 48**Notes to the Financial Statements****Year ended August 31, 2004****7. LONG-TERM DEBT (CONTINUED)**

Principal repayments required in each of the next five fiscal years are as follows:

	Principal	Interest	Total
2005	\$ 514,202	\$ 277,569	\$ 791,771
2006	501,628	217,573	719,201
2007	471,120	158,675	629,795
2008	403,686	103,438	507,124
2009	246,067	56,294	302,361
Thereafter	252,512	42,679	295,191
	<u>\$ 2,389,215</u>	<u>\$ 856,228</u>	<u>\$ 3,245,443</u>

8. COMMITMENTS

Payments under operating equipment leases in each of the next five years are as follows:

2005	\$ 110,998
2006	110,998
2007	110,998
2008	110,998
2009	110,998

9. RESERVES

Reserves created by authorization of the Board of Trustees represent funds allocated for future capital expenditures and future operating expenses. The reserves are established and expended in accordance with terms and conditions established by the Board.

	Balance Beginning of Year	Appropriated During the Year	Utilized During the Year	Balance End of Year
Operating	<u>\$ 3,918,949</u>	<u>\$ 997,067</u>	<u>\$ (357,466)</u>	<u>\$ 4,558,550</u>
Capital				
Land	\$ 34,752	\$ -	\$ -	\$ 34,752
Buildings	148,755	130,403	-	279,158
Equipment	70,925	-	-	70,925
Vehicles	1,396,406	652,220	(43,355)	2,005,270
	<u>\$ 1,650,838</u>	<u>\$ 782,623</u>	<u>\$ (43,355)</u>	<u>\$ 2,390,105</u>
	<u>\$ 5,569,787</u>	<u>\$ 1,779,690</u>	<u>\$ (400,821)</u>	<u>\$ 6,948,655</u>

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2004

9. RESERVES (CONTINUED)

The operating reserve balance is comprised of the following:

	2004	2003
Specific school surplus (deficit)		
C. J. Schurter	\$ 161,772	\$ 271,448
Prairie River	235,608	358,629
Kinuso	295,866	294,333
Roland Michener	177,355	239,930
Lakeside	626,005	531,544
E. W. Pratt	107,972	(10,792)
H. P. Elementary	185,063	45,164
Joussard	135,531	113,110
Routhier	49,801	44,345
E. G. Wahlstrom	69,803	102,451
Joint fund	34,466	21,541
Prairie View Outreach	7,550	26,571
G. P. Vanier	186,369	196,894
	2,273,161	2,235,168
Administration	502,928	466,757
Maintenance	361,764	221,024
Transportation	121,694	30,535
General instruction	1,299,003	965,465
	\$ 4,558,550	\$ 3,918,949

10. EXTERNAL SERVICES

Included in the statement of revenues and expenses are the following amounts:

	2004	2003
Revenues		
Contracted Services	\$ 144,655	\$ 139,571
Bus Rental - Firefighting	20,865	-
Admin Fee	9,400	8,500
	\$ 174,920	\$ 148,071
Expenses		
Services, contracts & supplies	\$ 168,491	\$ 148,071
Salaries, wages and benefits	6,429	-
	\$ 174,920	\$ 148,071
	\$ -	\$ -

HIGH PRAIRIE SCHOOL DIVISION NO. 48
Notes to the Financial Statements
Year ended August 31, 2004

11. CAPITAL RECONCILIATION

Total Capital Assets	\$ 24,184,921	
Deduct:		
Long term debt		
Supported	(2,310,701)	
Unsupported	(78,514)	
* BQRP Debentures (not capitalized)	<u>12,942</u>	
Net Total		\$ 21,808,648
Unamortized Capital Allocations	\$ 18,411,687	
Add: Investment in Capital Assets	<u>3,396,961</u>	
Net Total		\$ 21,808,648
Variance		<u>\$ -</u>

* Represent 10-year debentures for funds used for BQRP projects that were not capitalized. Amount included in the supported debenture total.

12. BUDGET AMOUNTS

The budget was prepared by the School Division's management with Board of Trustees' approval given on May 29, 2003. It is presented for information purposes only and has not been audited.

13. APPROVAL OF FINANCIAL STATEMENTS

The board of Trustees has approved these financial statements.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$19,474,459	\$1,072,825	\$18,401,634						
(2) Support block	\$3,782,895				\$2,583,979			\$1,198,916	\$0
(3) Instruction & support block reallocations	\$0	(\$183,169)	\$193,169		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISII)	\$448,348	\$0	\$448,348						\$0
(5) Student Health Initiative (SHI)	\$552,059	\$0	\$552,059						\$0
(6) Supernet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$844,000	\$21,269	\$865,269						\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0						\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0						\$0
(10) Other Alberta Learning revenues	\$68,196	\$0	\$68,196						\$0
(11) Total Alberta Learning Revenue	\$25,179,957	\$500,925	\$25,680,882	\$0	\$2,583,979			\$1,217,737	\$9,400
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$329,144			\$329,144					
(13) Operations & Maintenance support	\$2,359,479			\$2,359,479					
(14) Operations & Maintenance support (One-Time)	\$223,999			\$223,999					
(15) Total Alberta Infrastructure Revenue	\$2,912,622			\$2,912,622					
(16) Alberta Finance	\$291,231			\$291,231					\$0
(17) Other - Government of Alberta	\$48,501	\$0	\$17,880	\$0	\$0				\$20,665
(18) Federal Government and/or First Nations	\$2,051,854	\$48,014	\$1,942,433	\$253,433	\$0			\$107,974	\$0
(19) Other Alberta school authorities	\$262,285	\$0	\$13,987	\$0	\$103,743			\$0	\$144,655
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$1,665	\$0	\$0	\$0	\$0			\$1,665	\$0
(22) Instruction resource fees	\$241,454	\$11,809	\$228,645		\$155,655				\$0
(23) Transportation fees	\$155,655	\$0	\$142,631	\$14,024	\$14,024			\$1,872	\$0
(24) Other sales and services	\$208,761	\$0	\$49,747	\$16,666	\$13,036			\$0	\$0
(25) Investment income	\$151,508	\$0	\$112,689	\$18,819	\$0			\$0	\$0
(26) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$34,203	\$0	\$15,785	\$18,418	\$0			\$0	\$0
(28) Net school generated funds	\$278,024	\$0	\$278,024	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$12,897	\$0	\$11,507	\$1,390	\$1,390			\$0	\$0
(30) Amortization of capital allocations	\$594,618	\$0	\$594,618	\$0	\$0			\$0	\$0
(31) TOTAL REVENUES	\$32,425,134	\$560,748	\$22,824,286	\$4,250,942	\$2,872,653			\$1,337,565	\$174,210
EXPENSES									
(32) Certificated salaries	\$14,238,085	\$459,523	\$13,778,562				\$405,411	\$405,411	\$0
(33) Certificated benefits	\$1,597,094	\$45,353	\$1,551,741				\$36,465	\$36,465	\$0
(34) Uncertificated salaries and wages	\$6,038,354	\$2,386	\$6,035,968	\$699,136	\$1,303,778	\$53,940	\$394,435	\$448,375	\$5,034
(35) Uncertificated benefits	\$1,259,308	\$0	\$814,576	\$165,329	\$177,120	\$19,149	\$81,241	\$100,390	\$795
(36) SUB - TOTAL	\$23,132,831	\$507,260	\$19,293,638	\$864,465	\$1,480,908	\$73,089	\$507,552	\$990,641	\$6,829
(37) Services, contracts & supplies	\$6,714,676	\$453,366	\$2,833,942	\$2,185,082	\$768,987	\$55,460	\$249,318	\$304,778	\$108,991
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$278,024	\$0	\$278,024	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$994,618	\$0	\$0	\$994,618	\$0		\$0	\$0	\$0
(41) Unsupported	\$612,254	\$0	\$7,367	\$14,989	\$5,102,265	\$0	\$5,584	\$6,584	\$0
(42) Total Amortization	\$1,213,822	\$0	\$7,367	\$609,607	\$5,102,265	\$0	\$6,584	\$6,584	\$0
Interest on capital debt									
(43) Supported	\$261,051	\$0	\$0	\$261,051	\$0		\$0	\$0	\$0
(44) Unsupported	\$11,348	\$0	\$0	\$0	\$1,934	\$0	\$0	\$1,934	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$31,841,752	\$960,748	\$22,412,971	\$4,010,202	\$2,781,484	\$128,549	\$1,172,667	\$1,301,416	\$174,920
(48) Surplus/deficit before unrestricted revenues used for capital purposes	\$183,382	\$60,000	\$411,315	\$240,740	\$91,169			\$26,159	\$0

SCHEDULE B to the AFS

EXPENSES	INSTRUCTION (Grades 1 to 12)							
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	Total Instruction (Grades 1 to 12)
Certificated salaries	\$10,977,597	\$1,307,843	\$0	\$320,608	\$555,044	\$212,059	\$0	\$13,373,151
Certificated benefits	\$1,278,817	\$126,374	\$0	\$31,738	\$57,494	\$20,843	\$0	\$1,515,266
Uncertificated salaries and wages	\$903,397	\$695,055	\$0	\$244,439	\$1,453,220	\$0	\$294,534	\$3,590,645
Uncertificated benefits	\$179,377	\$168,571	\$0	\$57,233	\$351,665	\$0	\$57,730	\$814,576
SUB - TOTAL REMUNERATION	\$13,339,188	\$2,297,843	\$0	\$654,018	\$2,417,423	\$232,902	\$352,264	\$19,293,638
Services, contracts & supplies	\$2,238,710	\$0	\$0	\$0	\$179,391	\$215,466	\$200,395	\$2,833,942
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$278,024							\$278,024
Amortization of capital assets								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$7,367	\$0					\$7,367
Total Amortization	\$0	\$7,367	\$0					\$7,367
Interest on capital debt								
Supported	\$0	\$0						\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0						\$0
TOTAL EXPENSES	\$15,855,922	\$2,305,210	\$0	\$654,018	\$2,596,814	\$448,348	\$552,559	\$22,412,971
FTE Certificated					59			
FTE Uncertificated				15.0	72.8			

SCHEDULE C to the AFS

	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction							
School Admin & Instruction Support Expenses	\$14,192,525	\$1,804,917	\$2,130,726	\$193,169	\$18,321,336	\$15,912,798	\$2,408,538
System Instruction Support Expenses						\$2,305,210	(\$2,305,210)
Total Basic Instruction	\$14,192,525	\$1,804,917	\$2,130,726	\$193,169	\$18,321,336	\$18,218,008	\$103,328
Sub-Programs & Initiatives							
Severely Disabled	\$2,364,672	\$0	\$0		\$2,364,672	\$2,596,814	(\$212,142)
English as a Second Language	\$25,024				\$25,024	\$25,024	\$0
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$254,163		\$0		\$254,163	\$244,706	\$9,457
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$1,114,502				\$1,114,502	\$1,114,502	\$0
Growth & Density	\$40,943				\$40,943	\$40,943	\$0
Teacher Assistants Program	\$62,701				\$62,701	\$62,701	\$0
Early Literacy Initiative (K-2)	\$114,037				\$114,037	\$172,738	(\$58,701)
Learning Resources Credit & Resources for the Classroom	\$35,697	\$69,166	\$229,645		\$333,538	\$333,538	\$0
Technology Integration	\$137,104		\$0		\$137,104	\$726,176	(\$589,072)
French Language Program & Francisation (all jurisdictions)	\$35,694		\$0		\$35,694	\$25,694	\$10,000
Home Education	\$4,572		\$0		\$4,572	\$4,572	\$0
Total Sub-Programs & Initiatives	\$4,208,109	\$1,873,113	\$2,229,645	\$193,169	\$8,303,036	\$4,194,963	\$4,108,073
INSTRUCTION, GRADES 1-12	\$18,401,634	\$1,873,113	\$2,360,370	\$193,169	\$22,828,286	\$22,412,971	\$415,315

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS - 12 (excluding technology integration)	\$19,337,355
Support Block - Transportation	\$2,583,979
SUBTOTAL	\$21,921,334
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$2,359,479
Teacher Salary Enhancement	\$844,000
Other Alberta Learning revenues (Describe) Resources for classroom credit	\$68,196
Other - Government of Alberta (Excluding Alberta Finance)	\$48,501
Federal government/First Nations	\$2,051,854
Other Alberta school authorities	\$262,385
Out of province local authorities	\$0
Alberta municipalities	\$1,665
Other sales and services	\$208,761
Interest on investments	\$151,508
Rentals of facilities	\$34,203
Gains on disposal of capital assets	\$12,697
Amortization of capital allocations	\$594,618
School generated funds (Schedule E)	\$735,086
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$29,294,287
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.29%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,549,668
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	\$0
If Francophone Board, enter 400,000	\$0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,549,668
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,301,416
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$36,169
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,337,585
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,549,668
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$212,082

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)	\$497,778
Source of School Generated Funds:	
Total School Generated Funds for the year (Note 2)	\$735,086
Less: SGF - related cost recoveries (Note 3)	\$422,575
- capitalized at the District level (Note 4)	\$0
Net Total	\$312,511
Plus: Donations Received (Note 5)	\$0
Equals: Net Additions to SGF	\$312,511
Net SGF Available for discretionary spending	\$810,289
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39	
Net expended SGF for discretionary purposes (Note 6)	\$278,024
Unexpended SGF - Closing Balance August 31, 2004	\$532,265
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.	

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Gustodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$408,520	\$0	\$123,663	\$166,953	\$699,136		\$699,136
Uncertificated benefits	\$0	\$107,700	\$0	\$24,739	\$32,890	\$165,329		\$165,329
Sub-total Remuneration	\$0	\$516,220	\$0	\$148,402	\$199,843	\$864,465		\$864,465
Contracted Services	\$602,899	\$172,667	\$0	\$168,784	\$405	\$944,555		\$944,555
Supplies	\$47,864	\$407,775	\$0	\$11,958	\$1,689	\$469,286		\$469,286
Electricity			\$309,119			\$309,119		\$309,119
Natural Gas/Heating Fuel			\$294,766			\$294,766		\$294,766
Sewer and Water			\$46,699			\$46,699		\$46,699
Telecommunications			\$7,752			\$7,752		\$7,752
Insurance					\$112,922	\$112,922		\$112,922
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported							\$594,618	\$594,618
Total Amortization						\$74,989		\$74,989
Interest on capital debt						\$74,989	\$594,618	\$669,607
Supported								
Unsupported							\$291,051	\$291,051
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$650,563	\$1,096,662	\$656,336	\$329,144	\$314,839	\$3,124,533	\$885,669	\$4,010,202
SQUARE METRES								
School Buildings								
Non School Buildings								46,494.4
STAFF FTE'S (Completion Optional for 2003/2004)								2,159.0
Board Employed	0.0	11.0						
Contracted Services	12.0	0.0						

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BORP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 14b.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name	1.0	\$10,385	\$954	\$0	\$0		\$11,339	\$2,145
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name	1.0	\$8,680	\$3,839	\$0	\$0		\$12,519	\$4,186
Name	1.0	\$6,123	\$3,787	\$0	\$0		\$9,910	\$1,897
Name	1.0	\$5,115	\$1,214	\$0	\$0		\$6,329	\$607
Name	1.0	\$10,153	\$2,720	\$0	\$0		\$12,873	\$3,742
Name	1.0	\$6,665	\$2,844	\$0	\$0		\$9,509	\$2,232
Name	1.0	\$6,820	\$3,791	\$0	\$0		\$10,611	\$2,843
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	7.0	\$53,940	\$19,149	\$0	\$0		\$73,089	\$17,652
Superintendent	1.0	\$123,336	\$10,072	\$0	\$0		\$133,408	\$13,173
Superintendent	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Secretary	1.0	\$66,835	\$15,250	\$0	\$0		\$102,085	\$4,046
Board Secretary	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Board Treasurer	1.0	\$66,835	\$15,250	\$0	\$0		\$102,085	\$3,960
Board Treasurer	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Certificated Salaries	210.9	\$14,114,749	\$1,587,012	\$0	\$0		\$15,701,761	
Uncertificated Salaries & Wages	215.9	\$5,811,744	\$1,208,659	\$0	\$0		\$7,020,403	
TOTALS		\$20,277,439	\$2,855,392	\$0	\$0		\$23,132,831	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Holy Family Catholic Regional Division No. 37

Legal Name of School Jurisdiction

10307- 99 Street, Peace River, Alberta T8S 1R5

Mailing Address

(780) 624-3956 (780) 624-1154

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Holy Family Catholic Regional Division No. 37

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

David William Mitchell

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Wayne Doll

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Helen Diaz

Name

"ORIGINAL SIGNED"

Signature

November 30, 2004

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

Auditors' Report

To the Board of Trustees of the
Holy Family Catholic Regional Division No. 37

We have audited the statement of financial position of the Holy Family Catholic Regional Division No. 37 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2004 and the results of its operations and changes in its cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A to G1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Peace River, Alberta
November 15, 2004

Meyers Norris Penny LLP
Chartered Accountants



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
10012 - 101ST ST., BOX 6030, PEACE RIVER, AB T8S 1S1
PH. (780) 624-3252 FAX (780) 624-8758 www.mnp.ca

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003 Restated
ASSETS			
Current assets			
Cash and temporary investments		\$4,675,871	\$4,904,541
Accounts receivable (net after allowances)		\$1,310,940	\$572,735
Prepaid expenses		\$127,284	\$193,295
Other current assets		\$1,328	\$1,320
Total current assets		\$6,115,422	\$5,671,891
School generated assets		\$222,656	\$211,392
Trust assets		\$212,718	\$181,800
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$965,754	\$965,754
Buildings	\$29,902,039		
Less: accumulated amortization	(\$14,708,067)	\$15,193,972	\$16,101,641
Equipment	\$2,330,427		
Less: accumulated amortization	(\$1,451,126)	\$879,300	\$910,498
Vehicles	\$348,749		
Less: accumulated amortization	(\$168,507)	\$180,242	\$230,385
Total capital assets		\$17,219,268	\$18,208,278
TOTAL ASSETS		\$23,770,065	\$24,273,361
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$1,467,274	\$968,456
Deferred revenue		\$194,863	\$559,682
Deferred capital allocations		\$6,498	\$23,491
Current portion of all long term debt		\$703,890	\$742,158
Total current liabilities		\$2,372,526	\$2,293,787
School generated liabilities		\$222,656	\$211,392
Trust liabilities		\$212,718	\$181,800
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$5,112,671	\$5,854,830
Less: Current portion of supported debt		(\$703,890)	(\$742,158)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$10,138,830	\$10,346,060
Total long term liabilities		\$14,982,986	\$15,851,924
TOTAL LIABILITIES		\$17,355,512	\$18,145,711
NET ASSETS			
Unrestricted net assets		\$241,020	\$211,365
Operating Reserves		\$3,075,408	\$2,721,139
Accumulated Operating Surplus (Deficit)		\$3,316,428	\$2,932,504
Investment in capital assets		\$1,967,766	\$2,007,388
Capital Reserves		\$1,130,360	\$1,187,758
Total Capital Funds		\$3,098,126	\$3,195,146
Total net assets		\$6,414,554	\$6,127,650
TOTAL LIABILITIES AND NET ASSETS		\$23,770,065	\$24,273,361

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003 Restated
REVENUES			
Alberta Learning	\$14,551,963	\$14,452,094	\$14,294,420
Alberta Infrastructure	\$2,055,625	\$1,691,714	\$1,681,349
Alberta Finance	\$639,541	\$639,541	\$759,290
Other Government of Alberta	\$31,879	\$11,000	\$39,151
Federal Government and/or First Nations	\$1,764,859	\$1,386,321	\$1,549,431
Other Alberta school authorities	\$115,073	\$42,000	\$36,741
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$81,076	\$81,278	\$95,546
Transportation fees	\$0	\$0	\$0
Other sales and services	\$84,155	\$28,595	\$87,749
Investment income	\$139,443	\$37,076	\$161,289
Gifts and donations	\$82,159	\$23,809	\$44,745
Rentals of facilities	\$22,516	\$16,576	\$23,965
Net school generated funds	\$419,979	\$300,000	\$445,966
Gains on disposal of capital assets	\$0	\$0	\$2,298
Amortization of capital allocations	\$994,995	\$731,637	\$967,465
Total Revenues	\$20,983,264	\$19,441,641	\$20,189,405
EXPENSES			
Certificated salaries	\$9,808,529	\$9,652,156	\$9,628,827
Certificated benefits	\$1,058,569	\$1,293,750	\$1,070,174
Uncertificated salaries and wages	\$2,995,696	\$2,769,886	\$2,815,027
Uncertificated benefits	\$548,223	\$569,509	\$511,087
Services, contracts and supplies	\$3,928,211	\$4,393,565	\$3,810,073
Net school generated funds	\$419,979	\$300,000	\$445,966
Capital and debt services			
Amortization of capital assets			
Supported	\$994,995	\$731,637	\$967,465
Unsupported	\$332,273	\$255,283	\$290,311
Total Amortization of capital assets	\$1,327,269	\$986,920	\$1,257,776
Interest on capital debt			
Supported	\$639,541	\$639,541	\$722,147
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$639,541	\$639,541	\$722,147
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$20,726,016	\$20,605,327	\$20,261,077
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$257,248	(\$1,163,686)	(\$71,672)
Unrestricted revenues used for capital purposes	\$29,656	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$286,904	(\$1,163,686)	(\$71,672)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$286,904	(\$71,672)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$994,995)	(\$967,465)
Total amortization expense	\$1,327,269	\$1,257,776
Gains on disposal of capital assets	\$0	(\$2,298)
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$738,205)	\$790,818
Prepays and other current assets	\$66,003	\$506
Long term accounts receivable	\$0	\$29,274
Long term investments	\$0	(\$32,691)
Payables and accrued liabilities	\$498,818	\$0
Deferred revenue	(\$364,819)	\$0
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$80,976	\$1,004,248
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$89,385)	(\$23,042)
Equipment	(\$248,874)	(\$182,048)
Vehicles	\$0	(\$43,800)
Net proceeds from disposal of capital assets	\$0	\$2,298
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$338,260)	(\$246,592)
C. FINANCING ACTIVITIES		
Capital allocations received	\$28,614	\$87,809
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$742,159)	(\$770,856)
Add back: supported portion	\$742,159	\$770,856
Other (describe)		\$0
Total sources (uses) from Financing activities	\$28,614	\$87,809
Net sources (uses) of cash equivalents* during year	(\$228,670)	\$845,465
Cash Equivalents at the beginning of the year	\$4,904,541	\$4,059,076
Cash Equivalents at the end of the year	\$4,675,871	\$4,904,541

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1) TOTAL NET ASSETS (Columns 2-3-4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(14)	
					(6) School Based		(7) Infrastructure		(8) Board & System Admin		(11) Transportation		(12) External Services			
					Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd O & M Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves		
Balance at August 31, 2003	\$6,127,650	\$2,007,388	\$2,111,365	\$3,908,897	\$2,097,153	\$389,149	\$552	\$61,546	\$450,463	\$393,502	\$172,971	\$0	\$0	\$343,561		
Prior period adjustments (describe)																
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Balance, Aug 31, 2003	\$6,127,650	\$2,007,388	\$2,111,365	\$3,908,897	\$2,097,153	\$389,149	\$552	\$61,546	\$450,463	\$393,502	\$172,971	\$0	\$0	\$343,561		
Surplus(def) of revenue over expenses	\$285,904		\$285,904													
Board funded capital transactions		\$282,652		(\$282,652)	(\$102,869)	\$0	(\$93,405)	\$0	(\$7,561)	(\$57,702)	\$0	\$0	\$0	(\$31,115)		
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		(\$1,327,269)	\$1,327,269													
Amortization of capital allocations		\$994,995	(\$994,995)													
Disposal of unamortized capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		
Disposal of supported capital assets-unamortized portion	\$0	\$0	\$0	\$0		\$0		\$0		\$0		\$0		\$0		
Debt principal payments (unamortized)			\$0													
Net transfers to operating reserves			(\$566,863)	\$566,863	\$279,299		\$211,686		\$36,539		\$39,337		\$0			
Net transfers from operating reserves			\$8,760	(\$8,760)	\$0		(\$8,760)		\$0		\$0					
Net transfers to capital reserves			(\$31,419)	\$31,419		\$0		\$8,760		\$27,659		\$0		\$0		
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0		
Balance at August 31, 2004	\$6,414,554	\$1,967,766	\$2,411,020	\$4,206,787	\$2,273,583	\$389,149	\$110,075	\$70,306	\$479,441	\$358,459	\$212,308	\$0	\$0	\$312,446		

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$23,491	\$10,346,060
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$28,614	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$742,159
Expended capital allocations - current year	(\$45,607)	\$45,607
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$994,995
Balance at August 31, 2004	\$6,498	\$10,138,830

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Holy Family Catholic Regional Division No. 37

Notes to the Financial Statements

August 31, 2004

1. Authority and Purpose

The School Division delivers education programs under the authority of the School Act, Revised Statutes of Alberta, 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances on deposit with banks.

Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Revenue Recognition

Revenue is recognized as follows:

1. Instruction and support allocations are recognized in the year to which they relate.
2. Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.
3. Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to the unamortized capital allocation balance and are recognized as revenue in the periods in which the amortization expense for these capital assets is recorded. Amounts invested in unamortized capital assets are recorded as direct increases in net assets.
4. Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.
5. Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

Holy Family Catholic Regional Division No. 37

Notes to the Financial Statements

August 31, 2004

2. Summary of Significant Accounting Policies *(continued from previous page)*

Capital Assets

Capital assets are recorded at cost. Items costing less than \$5,000 are expensed when purchased. Capital assets are amortized on a straight-line basis over the assets' estimated useful life as follows:

Vehicles	5 to 10 years
Buildings	10 to 40 years
Furniture and equipment	5 to 20 years

School generated funds

Funds generated from school-based activities are included as assets, liabilities, revenues and expenses of the school jurisdiction because the accountability and control/ownership of these funds rests with school jurisdiction officials or their appointees. These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trips, etc.).

Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximates their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

Employee Future Benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs. As at August 31, 2004, there is no financial impact on the jurisdiction.

Holy Family Catholic Regional Division No. 37

Notes to the Financial Statements

August 31, 2004

2. Summary of Significant Accounting Policies (continued from previous page)

Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the HFCRD #37 School Division does not make pension contributions for certificate staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$64,571 (2003 - \$53,122) for the Year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 - deficiency of \$444,980,000).

3. Accounts Receivable	2004	2003
Province of Alberta	540,920	243,531
Federal Government and First Nations	122,300	2,699
Alberta Municipalities	527,411	190,960
Other	120,309	135,545
	1,310,940	572,735

4. Capital assets		2004		2003
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	965,754	-	965,754	965,754
Buildings	29,902,039	14,708,067	15,193,972	16,101,641
Vehicles	348,749	168,507	180,242	230,385
Furniture and equipment	2,330,427	1,451,126	879,300	910,498
	33,546,969	16,327,700	17,219,268	18,208,278

5. Deferred Revenue	2004	2003
One time grant funding	-	23,701
AB infrastructure	15,039	489,193
Other	179,824	46,788
	194,863	559,682

Holy Family Catholic Regional Division No. 37

Notes to the Financial Statements

August 31, 2004

6. Long-term Debt	2004	2003
Debentures, with interest ranging from 8.75% to 12.00%, repayable in annual principal payments of \$742,158 plus interest, maturing from 2005 to 2017.	5,112,671	5,854,831
Less: current portion	703,890	742,158
	4,408,781	5,112,673

Principal repayments over the next five fiscal years are as follows:

2005	\$	703,890
2006		672,738
2007		653,758
2008		648,846
2009 to maturity		2,433,439

7. Deferred Capital Allocations

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

8. Unamortized Capital Allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

9. Economic Dependence on Related Third Party

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

10. Budget Amounts

The budget was prepared by the School jurisdiction management with Board of Trustees approval. It is presented for information purposes only and has not been audited.

11. Approval of Financial Statements

These financial statements were approved by management.

Holy Family Catholic Regional Division No. 37

Notes to the Financial Statements

August 31, 2004

12. Contingencies

A number of claims have been filed against the Government of Canada. These claims stem from allegations that occurred in residential schools during a period ranging from the early 1960's to the early 1970's. The Division has been named as a third party with the Government of Canada in these claims. With respect to one of the claims, the Division has been named as defendant.

The Division has entered into an Indemnity Agreement in which the Province of Alberta has agreed to indemnify Holy Family Catholic Regional Division for these claims and related costs incurred.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	TOTAL Board & System Administration	External Services
Alberta Learning allocations									
(1) Instruction block	\$12,404,138	\$804,062	\$11,600,057						
(2) Support block	\$1,013,609	\$0	\$0		\$174,802			\$339,967	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$204,751	\$7,300	\$197,453						\$6,829
(5) Student Health Initiative (SHI)	\$12,889	\$0	\$0						\$0
(6) Supernet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$555,000	\$19,023	\$574,023					\$11,887	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$362,072	\$0	\$362,072	\$0	\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$14,551,983	\$830,405	\$12,689,122	\$0	\$174,802			\$852,794	\$6,829
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$418,426			\$418,426					
(13) Operations & Maintenance support	\$1,837,199			\$1,837,199					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$2,055,625			\$2,055,625					
Alberta Finance									
(17) Other - Government of Alberta	\$31,879	\$0	\$0	\$31,879					\$0
(18) Federal Government and/or First Nations	\$1,704,859	\$34,201	\$1,456,523	\$142,301	\$0			\$0	\$28,079
(19) Other Alberta school authorities	\$115,073	\$0	\$0	\$1	\$68,514			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$28,138
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$81,076	\$0	\$81,076		\$0			\$0	\$0
(23) Transportation fees	\$0								
(24) Other sales and services	\$64,155	\$5,393	\$64,801	\$2,820	\$0			\$4,491	\$6,551
(25) Investment income	\$139,443	\$0	\$64,145	\$46,932	\$0			\$8,367	\$0
(26) Gifts and donations	\$82,159	\$0	\$1,405	\$11,198	\$0				\$69,558
(27) Rentals of facilities	\$22,516	\$0	\$0	\$9,753	\$0			\$1,264	\$11,608
(28) Net school generated funds	\$416,979	\$0	\$416,979	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$394,995	\$0	\$0	\$394,995	\$0			\$0	\$0
(31) TOTAL REVENUES	\$20,983,264	\$869,998	\$14,797,061	\$3,907,024	\$261,638			\$958,565	\$168,780
EXPENSES									
(32) Certificated salaries	\$9,806,529	\$381,838	\$9,230,821				\$215,789	\$215,789	\$0
(33) Certificated benefits	\$1,059,569	\$18,122	\$1,009,950				\$19,498	\$19,498	\$0
(34) Uncertificated salaries and wages	\$2,995,686	\$279,493	\$1,865,514	\$390,319	\$10,358	\$66,205	\$281,857	\$348,062	\$92,950
(35) Uncertificated benefits	\$548,273	\$48,983	\$339,540	\$16,540	\$4,247	\$83,070	\$83,070	\$83,070	\$14,988
(36) SUB - TOTAL	\$14,411,016	\$728,437	\$12,436,825	\$466,859	\$23,605	\$87,082	\$583,192	\$847,754	\$107,938
(37) Services, contracts & supplies	\$3,928,210	\$144,208	\$1,811,339	\$1,493,940	\$245,275	\$19,889	\$146,161	\$226,050	\$107,448
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$1,311	\$45,562	\$0	\$46,327	\$8,636	\$60,751	\$51,915	\$52,651
(39) Net school generated funds	\$416,979	\$0	\$416,979	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$994,995	\$0	\$0	\$994,995	\$0		\$0	\$0	\$0
(41) Unsupported	\$332,273	\$0	\$152,040	\$131,723	\$0	\$0	\$2,659	\$22,659	\$26,852
(42) Total Amortization	\$1,327,268	\$0	\$152,040	\$1,126,718	\$0	\$0	\$22,659	\$22,659	\$26,852
Interest on capital debt									
(43) Supported	\$839,541	\$0	\$0	\$839,541	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$20,726,016	\$873,955	\$14,665,844	\$3,827,059	\$222,499	\$138,115	\$859,764	\$947,878	\$168,780
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$257,248	(\$3,957)	\$131,216	\$79,965	\$39,137			\$10,687	(\$0)

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$6,831,439	\$610,502	\$0	\$825,338	\$793,597	\$100,046	\$0
Certificated benefits	\$739,886	\$76,090	\$0	\$90,394	\$96,228	\$8,351	\$0
Uncertificated salaries and wages	\$559,026	\$455,609	\$0	\$182,615	\$663,422	\$646	\$3,397
Uncertificated benefits	\$94,113	\$111,204	\$0	\$31,382	\$112,038	\$0	\$902
SUB - TOTAL REMUNERATION	\$8,215,064	\$1,323,405	\$0	\$1,129,730	\$1,655,285	\$109,243	\$4,199
Services, contracts & supplies	\$1,129,564	\$183,328	\$0	\$19,111	\$181,626	\$97,510	\$0
Cost recoveries & transfers	\$45,562	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$419,979						\$45,562
Amortization of capital assets							\$419,979
Supported	\$0	\$0	\$0				\$0
Unsuported	\$152,040	\$0	\$0				\$152,040
Total Amortization	\$152,040	\$0	\$0	\$0	\$0	\$0	\$152,040
Interest on capital debt							\$0
Supported	\$0	\$0	\$0				\$0
Unsuported	\$0	\$0	\$0				\$0
Other interest charges	\$0	\$0	\$0				\$0
Losses on disposal of capital assets	\$0	\$0	\$0				\$0
TOTAL EXPENSES	\$9,962,208	\$1,506,732	\$0	\$1,148,841	\$1,837,111	\$206,753	\$4,199
FTE Certificated				0.0	0.0		
FTE Uncertificated				0.0	0.0		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION				TOTAL		NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	EXPENSES	REVENUE	
Basic Instruction	\$8,615,874	\$668,831	\$1,666,237	\$0	\$10,147,195	\$11,150,943	\$1,003,748
School Admin & Instruction Support Expenses					\$1,506,732		(\$1,506,732)
System Instruction Support Expenses					\$0		\$0
Total Basic Instruction	\$8,615,874	\$668,831	\$1,666,237	\$0	\$11,653,927	\$11,150,943	(\$502,984)
Sub-Programs & Initiatives							
Severely Disabled	\$1,515,794	\$169,000	\$360,715		\$1,837,111	\$2,045,509	\$208,398
English as a Second Language	\$36,800				\$36,800	\$36,800	(\$135)
Enhanced Opportunities	\$39,780				\$39,780	\$39,780	(\$120)
First Nations, Metis, and Inuit Education	\$169,095		\$0		\$169,095	\$169,095	\$24,843
Institutional Programs	\$77,441				\$77,441	\$77,441	\$0
Sparsity & Distance	\$889,650				\$889,650	\$889,650	\$889,650
Growth & Deniality	\$40,101				\$40,101	\$40,101	\$14,819
Teacher Assistants Program	\$73,868				\$73,868	\$73,868	\$115,151
Early Literacy Initiative (K-2)	\$22,845				\$22,845	\$22,845	(\$41,283)
Learning Resources Credit & Resources for the Classroom	\$84,700	\$51,144	\$81,076		\$216,920	\$155,064	\$223,148
Technology Integration	\$17,004				\$17,004	\$17,004	\$474,752
French Language Program & Francisation (all jurisdictions)	\$2,286				\$2,286	\$2,286	(\$390,052)
Home Education	\$2,984,163				\$2,984,163	\$2,984,163	\$17,004
Total Sub-Programs & Initiatives	\$11,600,057	\$1,086,975	\$2,100,028	\$0	\$14,787,061	\$3,646,117	\$105
INSTRUCTION, GRADES 1-12					\$14,655,844	\$14,655,844	\$634,200

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$12,319,439
Support Block - Transportation		\$174,902
SUBTOTAL		\$12,494,341
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$1,637,199
Teacher Salary Enhancement		\$555,000
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$31,879
Federal government/First Nations		\$1,764,859
Other Alberta school authorities		\$115,073
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$84,155
Interest on investments		\$139,443
Rentals of facilities		\$22,516
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$994,995
School generated funds (Schedule E)		\$468,273
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$18,307,734
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		5.95%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$1,089,310
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$1,089,310
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$947,878
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$36,539
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$984,417
Maximum Expense Limit for Board & System Administration (Step 3)		\$1,089,310
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$104,893

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$211,392
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$468,273	
Less: SGF - related cost recoveries (Note 3)	\$102,081	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$366,192	
Plus: Donations Received (Note 5)	\$65,052	
Equals: Net Additions to SGF		\$431,244
Net SGF Available for discretionary spending		\$642,636
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$419,979
Unexpended SGF - Closing Balance August 31, 2004		\$222,656
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$266,138	\$63,219	\$0	\$0	\$60,961	\$390,319		\$390,319
Uncertificated benefits	\$56,852	\$8,108	\$0	\$0	\$11,580	\$76,540		\$76,540
Sub-total Remuneration	\$322,990	\$71,327	\$0	\$0	\$72,541	\$466,859		\$466,859
Contracted Services	\$177,602	\$332,130	\$2,884	\$416,926	\$4,500	\$934,042		\$934,042
Supplies	\$67,283	\$11,142	\$0	\$0	\$1,863	\$80,088		\$80,088
Electricity								
Natural Gas/Heating Fuel			\$255,743			\$255,743		\$255,743
Sewer and Water			\$193,885			\$193,885		\$193,885
Telecommunications			\$56,494			\$56,494		\$56,494
Insurance			\$3,036			\$3,036		\$3,036
Net school generated funds	\$0	\$0	\$0	\$0	\$70,652	\$70,652		\$70,652
Amortization of capital assets					\$0	\$0		\$0
Supported								
Unsupported							\$994,995	\$994,995
Total Amortization								
Interest on capital debt							\$131,723	\$131,723
Supported							\$994,995	\$1,126,718
Unsupported								
Other interest charges				\$0		\$0	\$639,541	\$639,541
Losses on disposal of capital assets						\$0	\$0	\$0
Cost recoveries & transfers						\$0	\$0	\$0
TOTAL EXPENSES	\$567,875	\$414,599	\$512,043	\$416,926	\$149,356	\$2,192,522	\$1,634,536	\$3,827,059
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	8.5	1.4						34,400.4
Contracted Services	4.0	2.0						1,705.0

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects including new schools, IMP (BOP), and portable relocations, administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name David William Mitchell	1.0	\$18,455	\$134	\$0			\$18,589	\$7,521
Name	0.0	\$0	\$0	\$0			\$0	\$0
Other Board Members:								
Name Debbie Gour	1.0	\$9,965	\$221	\$0			\$10,186	\$5,470
Name Rene Laroche	1.0	\$3,285	\$29	\$0			\$3,314	\$5,522
Name George Ostermeier	1.0	\$7,110	\$67	\$0			\$7,177	\$4,508
Name Diane Martel	1.0	\$6,520	\$72	\$0			\$6,592	\$2,649
Name Denise Valiquette	1.0	\$7,145	\$146	\$0			\$7,291	\$4,293
Name Edna Kosik-Harvey	1.0	\$7,068	\$118	\$0			\$7,186	\$5,676
Name Debbie LaRiviere Willier	0.8	\$1,365	\$22	\$0			\$1,387	\$1,430
Name Jean Luc Dubé	1.0	\$5,095	\$48	\$0			\$5,143	\$1,112
Name Beatrice Wright	0.2	\$198	\$0	\$0			\$198	\$62
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Name	0.0	\$0	\$0	\$0			\$0	\$0
Subtotal	9.0	\$66,205	\$857	\$0			\$67,062	\$38,241
Superintendent Wayne Doll	1.0	\$116,485	\$9,940	\$0	\$0	\$0	\$126,425	\$17,654
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary Ian Becker	1.0	\$74,284	\$14,591	\$0	\$0	\$0	\$88,875	\$9,358
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer Helen Diaz	1.0	\$74,284	\$13,535	\$0	\$0	\$0	\$87,819	\$5,087
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	144.5	\$9,683,156	\$1,048,628	\$0	\$0	\$8,888	\$10,740,673	
Uncertificated Salaries & Wages	116.1	\$2,780,922	\$519,241	\$0	\$0	\$0	\$3,300,163	
TOTALS		\$12,795,337	\$1,606,792	\$0	\$0	\$8,888	\$14,411,016	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

Debbie LaRiviere Willier resigned May 2004

Beatrice Wright was appointed August 2004

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4

Legal Name of School Jurisdiction

534 18TH ST SOUTH LETHBRIDGE, AB T1J 3E7

Mailing Address

TELEPHONE NO. 327-9555 FAX NO. 327-9595

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO. 4
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN**MR. KENNETH TRATCH**

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT**MR. DAVID KEOHANE**

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER**MR. VICTOR PIRIE**

Name

"ORIGINAL SIGNED"

Signature

17-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

AUDITORS' REPORT

To the Board of Trustees of the
Holy Spirit Roman Catholic Separate Regional Division No. 4

We have audited the statement of financial position of the Holy Spirit Roman Catholic Separate Regional Division No. 4 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lethbridge, Alberta

October 26, 2004

Young Parkyn M. Nels LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION
as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	(\$0)	\$6,080,431
Accounts receivable (net after allowances)	\$4,778,124	\$2,887,995
Prepaid expenses	\$125,119	\$135,877
Other current assets	\$17,693	\$18,292
Total current assets	\$4,920,936	\$9,122,595
School generated assets	\$705,027	\$574,265
Trust assets	\$289,245	\$273,065
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$837,612	\$837,612
Buildings	\$47,860,502	
Less: accumulated amortization	(\$13,399,826)	\$29,608,158
Equipment	\$1,943,132	
Less: accumulated amortization	(\$1,635,323)	\$307,809
Vehicles	\$135,857	\$585,172
Less: accumulated amortization	(\$71,507)	\$64,350
Total capital assets	\$35,670,447	\$31,107,503
TOTAL ASSETS	\$41,585,655	\$41,077,428
LIABILITIES		
Current liabilities		
Bank indebtedness	\$541,444	\$32,233
Accounts payable and accrued liabilities	\$1,724,390	\$2,764,706
Deferred revenue	\$738,058	\$767,630
Deferred capital allocations	\$463,823	\$3,931,631
Current portion of all long term debt	\$695,626	\$695,626
Total current liabilities	\$4,163,341	\$8,191,826
School generated liabilities	\$705,027	\$574,265
Trust liabilities	\$289,245	\$273,065
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$3,697,178	\$4,392,804
Less: Current portion of supported debt	(\$695,626)	(\$695,626)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$29,523,167	\$24,242,279
Total long term liabilities	\$33,518,991	\$28,786,787
TOTAL LIABILITIES	\$37,682,332	\$36,978,613
NET ASSETS		
Unrestricted net assets	\$194,912	\$287,276
Operating Reserves	\$1,482,693	\$1,583,503
Accumulated Operating Surplus (Deficit)	\$1,677,605	\$1,870,779
Investment in capital assets	\$2,027,135	\$2,049,453
Capital Reserves	\$198,583	\$178,583
Total Capital Funds	\$2,225,718	\$2,228,036
Total net assets	\$3,903,323	\$4,098,815
TOTAL LIABILITIES AND NET ASSETS	\$41,585,655	\$41,077,428

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$26,910,761	\$24,654,505	\$25,831,756
Alberta Infrastructure	\$3,368,121	\$3,408,311	\$4,118,309
Alberta Finance	\$401,793	\$439,283	\$474,215
Other Government of Alberta	\$0	\$0	\$0
Federal Government and/or First Nations	\$1,460,608	\$1,587,827	\$1,293,373
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$1,347
Instruction resource fees	\$217,898	\$157,784	\$166,344
Transportation fees	\$0	\$0	\$0
Other sales and services	\$42,785	\$105,800	\$107,488
Investment income	\$47,196	\$85,650	\$108,751
Gifts and donations	\$0	\$0	\$5,300
Rentals of facilities	\$0	\$0	\$15,145
Net school generated funds	\$710,525	\$345,740	\$558,943
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,034,078	\$945,772	\$1,018,698
Total Revenues	\$34,193,765	\$31,730,672	\$33,699,669
EXPENSES			
Certificated salaries	\$17,223,104	\$16,611,940	\$16,541,746
Certificated benefits	\$2,108,390	\$2,023,556	\$2,006,902
Uncertificated salaries and wages	\$5,616,049	\$5,168,621	\$5,612,990
Uncertificated benefits	\$1,193,969	\$1,017,636	\$1,138,692
Services, contracts and supplies	\$5,974,158	\$5,522,697	\$6,332,061
Net school generated funds	\$710,525	\$345,740	\$558,943
Capital and debt services			
Amortization of capital assets			
Supported	\$1,034,078	\$945,772	\$1,018,698
Unsupported	\$127,191	\$70,213	\$98,884
Total Amortization of capital assets	\$1,161,269	\$1,015,985	\$1,117,582
Interest on capital debt			
Supported	\$401,793	\$439,283	\$474,215
Unsupported	\$0	\$0	\$0
Total interest on capital debt	\$401,793	\$439,283	\$474,215
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$36,795
Total Expenses	\$34,389,257	\$32,145,458	\$33,819,926
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$195,492)	(\$414,786)	(\$120,257)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$128,065
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$195,492)	(\$414,786)	\$7,808

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$195,492)	\$7,808
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,034,078)	(\$1,018,698)
Total amortization expense	\$1,161,269	\$1,117,582
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$36,795
Changes in accrued accounts:		
Accounts receivable	(\$1,890,129)	(\$1,232,727)
Prepays and other current assets	\$11,357	(\$106,086)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,040,316)	(\$709,666)
Deferred revenue	(\$29,572)	(\$939,931)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$3,016,961)	(\$2,844,923)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$5,657,343)	(\$12,406,440)
Equipment	(\$66,870)	(\$159,923)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$5,724,213)	(\$12,566,363)
C. FINANCING ACTIVITIES		
Capital allocations received	\$2,151,532	\$1,121,510
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$695,626)	(\$695,626)
Add back: supported portion	\$695,626	\$695,626
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$2,151,532	\$1,121,510
Net sources (uses) of cash equivalents* during year	(\$6,589,642)	(\$14,289,776)
Cash Equivalents at the beginning of the year	\$6,048,198	\$20,337,974
Cash Equivalents at the end of the year	(\$541,444)	\$6,048,198

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.
Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	TOTAL NET ASSETS (Column 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL RESTRICTED NET ASSETS (Column 5 to 14)	RESTRICTED NET ASSETS									
					School Based		Infrastructure		Board & System Admin.		Transportation		External Services	
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves
Balance at August 31, 2003	\$4,098,815	\$2,049,453	\$287,276	\$1,762,088	\$989,588	\$103,583	\$243,207	\$0	\$123,430	\$75,000	\$247,276	\$0	\$0	\$0
Prior period adjustments (described)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$4,098,815	\$2,049,453	\$287,276	\$1,762,088	\$989,588	\$103,583	\$243,207	\$0	\$123,430	\$75,000	\$247,276	\$0	\$0	\$0
Surplus(def) of revenue over expenses	(\$155,482)		(\$195,482)											
Board funded capital transactions		\$104,873	(\$50,000)	(\$54,873)	(\$54,873)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0												
Amortization of capital assets		(\$1,161,266)	\$1,161,269											
Amortization of capital allocations		\$1,034,078	(\$1,034,078)											
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0	\$0		\$0								
Debt principal payments (unsupported)		\$0	\$0	\$0										
Net transfers to operating reserves			(\$303,370)	\$303,370	\$0		\$0		\$83,874		\$239,496		\$0	
Net transfers from operating reserves			\$349,307	(\$349,307)	(\$124,276)		(\$225,081)		\$0		\$0		\$0	
Net transfers to capital reserves			(\$20,000)	\$20,000		\$0				\$20,000		\$0		\$0
Net transfers from capital reserves			\$0	\$0		\$0				\$0		\$0		\$0
Balance at August 31, 2004	\$3,903,333	\$2,027,135	\$194,912	\$1,881,276	\$795,489	\$103,583	\$18,126	\$0	\$187,304	\$95,000	\$496,774	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$3,931,631	\$24,242,279
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$1,680,342	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$316,468	
Interest earned on provincial government capital allocations	\$72,248	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$82,474	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$695,626
Expended capital allocations - current year	(\$5,619,340)	\$5,619,340
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,034,078
Balance at August 31, 2004	\$463,823	\$29,523,167

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

1. Authority and purpose

The School Division delivers education programs under the authority of the School Act, Chapter S - 3, Statutes of Alberta, January 1, 2002.

The School Division receives block allocations for instruction and support under Regulation 72/95. The Regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

Investments

Investments are valued at cost.

Inventory

Inventory is recorded at the lower of cost and net realizable value. Cost is determined on the first in, first out basis.

Capital assets

Capital assets are recorded at cost and amortization is provided for on a straight line basis using the following annual rates:

Equipment and furnishings	5 years
Vehicles and buses	10 years
Buildings	40 years
Buildings and additions	25 years

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

2. Summary of significant accounting policies (continued)

Capital assets (continued)

There is no amortization charged in the year of acquisition.

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The School Board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$293,396 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

Prepaid expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

Financial instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4**NOTES TO FINANCIAL STATEMENTS****For the Year Ended August 31, 2004**

2. Summary of significant accounting policies (continued)**Operating and capital reserves**

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000-2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

Measurement uncertainty

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided based on management's best information available at the time. The amounts recorded for amortization of capital assets are based on estimates of the useful life of the related assets. Pension plan obligations are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

3. Accounts receivable

	2004	2003
Province of Alberta	\$ 3,411,262	\$ 1,419,556
Federal government	400,223	627,456
Alberta municipalities	14,967	-
Indian and Northern Affairs Canada	128,673	144,436
Kainai Board of Education	-	212,282
City of Lethbridge	700,000	383,532
Other	122,999	100,733
Total	\$ 4,778,124	\$ 2,887,995

4. Accounts payable and liabilities

	2004	2003
Province of Alberta	\$ 218,113	\$ 257,844
Other trade payables and accrued liabilities	1,506,277	2,506,862
Total	\$ 1,724,390	\$ 2,764,706

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

5. Deferred revenue

	2004	2003
Modernization Block Funding	\$ 387,367	\$ 379,346
Indian and Northern Affairs Tuition	57,422	-
Alberta Initiative for School Improvement	88,096	86,108
1999 One Time Grant	-	54,094
Teacher Assistance Program	-	15,304
Severe Disabilities 2000-2003	154,673	137,787
Operation and maintenance one time grant	-	94,991
Special education mild and moderate	26,700	-
Jurisdictional study	18,000	-
Foreign tuition	5,800	-
	\$ 738,058	\$ 767,630

6. Trust assets and liabilities

These balances represent cash that is held in trust by the jurisdiction for the following areas:

	2004	2003
Scholarship trusts	\$ 239,935	\$ 222,009
Charitable donations	48,995	50,741
Trust awards	315	315
Total	\$ 289,245	\$ 273,065

7. Long-term debt

The Division has various debentures payable to Alberta Municipal Financing Corporation relating to the acquisition of capital assets bearing interest at rates ranging from 8.875% to 12.0%. The debenture debt is fully supported by Alberta Finance. Principal payments in each of the next five years are estimated as follows:

2005	\$ 695,626
2006	592,876
2007	476,604
2008	467,223
2009	351,053
Thereafter	1,113,796
	\$ 3,697,178

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4**NOTES TO FINANCIAL STATEMENTS****For the Year Ended August 31, 2004**

8. Deferred capital allocations

Capital allocations received for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

9. Unamortized capital allocations

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as full-supported debentured capital funds, as the principal is repaid.

10. Internally restricted net assets

Net assets may be restricted by authorization of the Board of Trustees for future capital and operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	2004	2003
Operating		
School allocations	\$ 529,198	\$ 753,488
Professional development	261,291	216,100
Operations and maintenance	18,126	243,207
Board Governance	22,000	22,000
System Administration	165,304	101,430
Transportation	486,774	247,278
	<u>1,482,693</u>	<u>1,583,503</u>
Capital		
Technology	103,583	103,583
Board and system	95,000	75,000
	<u>198,583</u>	<u>178,583</u>
	<u>\$ 1,681,276</u>	<u>\$ 1,762,086</u>

11. Capital over expenditure

The School Division has an unfunded over expenditure on a capital project in the amount of \$422,967 at year end. It is expected that this over expenditure will be funded through the Infrastructure Maintenance Program as follows:

2005/2006	\$ 209,833
2006/2007	213,134

HOLY SPIRIT ROMAN CATHOLIC SEPARATE REGIONAL DIVISION NO.4
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

12. Commitments

The Division is committed to further capital expenditures for the modernization, replacement and addition of schools of approximately \$4,878,829. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

13. Economic dependence on related third party

The School Division's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

14. Budget amounts

The budget was prepared by the School Division management with Board of Trustees approval given on June 18, 2003. It is presented for information purposes only and has not been audited.

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$15,981,787	\$265,202	\$0	\$0	\$0	\$235,752	\$0	\$16,482,741
Certificated benefits	\$1,964,531	\$33,940	\$0	\$0	\$0	\$29,251	\$0	\$2,027,722
Uncertificated salaries and wages	\$1,151,127	\$200,031	\$0	\$127,399	\$1,606,083	\$81,610	\$178,348	\$3,344,598
Uncertificated benefits	\$126,624	\$22,003	\$0	\$22,482	\$434,892	\$10,977	\$42,838	\$659,816
SUB - TOTAL REMUNERATION	\$19,224,069	\$521,176	\$0	\$149,881	\$2,040,975	\$357,590	\$221,186	\$22,514,877
Services, contracts & supplies	\$2,198,222	\$153,694	\$0	\$0	\$9,657	\$160,435	\$6,222	\$2,528,230
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$710,525							\$710,525
Amortization of capital assets								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$84,800	\$0	\$0					\$84,800
Total Amortization	\$84,800	\$0	\$0					\$84,800
Interest on capital debt								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0	\$0					\$0
TOTAL EXPENSES	\$22,217,616	\$674,870	\$0	\$149,881	\$2,050,632	\$518,025	\$227,408	\$25,838,432
FTE Certificated				0.0	0.0			
FTE Uncertificated				0.0	0.0			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL REVENUE	TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction	\$18,411,394	\$1,917,245	\$2,027,709	\$210,022		\$22,566,370	\$22,212,402	\$353,968
School Admin & Instruction Support Expenses							\$674,870	(\$674,870)
System Instruction Support Expenses							\$0	\$0
Total Basic Instruction	\$18,411,394	\$1,917,245	\$2,027,709	\$210,022		\$22,566,370	\$22,887,272	(\$320,902)
Sub-Programs & Initiatives								
Severely Disabled	\$2,050,632	\$0	\$0			\$2,050,632	\$2,050,632	(\$0)
English as a Second Language	\$39,744					\$39,744	\$39,744	\$0
Enhanced Opportunities	\$51,000					\$51,000	\$51,000	\$0
First Nations, Metis, and Inuit Education	\$106,244		\$0			\$106,244	\$106,244	\$0
Institutional Programs	\$0					\$0	\$0	\$0
Sparsity & Distance	\$23,866					\$23,866	\$23,866	\$0
Growth & Density	\$88,010					\$88,010	\$88,010	\$0
Teacher Assistants Program	\$101,453					\$101,453	\$101,453	\$0
Early Literacy Initiative (K-2)	\$159,197					\$159,197	\$159,197	\$0
Learning Resources Credit & Resources for the Classroom	\$0	\$0	\$217,898			\$217,898	\$217,898	\$0
Technology Integration	\$179,036		\$0			\$179,036	\$179,036	\$0
French Language Program & Francisation (all jurisdictions)	\$45,956		\$0			\$45,956	\$45,956	\$0
Home Education	\$0		\$0			\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$2,845,138	\$1,917,245	\$217,898	\$210,022		\$3,080,303	\$2,951,160	\$111,876
INSTRUCTION, GRADES 1-12	\$21,256,532		\$2,245,607	\$210,022		\$25,629,406	\$25,838,432	(\$209,026)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$22,435,349
Support Block - Transportation		\$1,044,775
SUBTOTAL		\$23,480,124
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$3,009,022
Teacher Salary Enhancement		\$955,000
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$0
Federal government/First Nations		\$1,460,608
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$42,785
Interest on investments		\$47,196
Rentals of facilities		\$0
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$1,034,078
School generated funds (Schedule E)		\$2,799,445
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$32,828,258
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		4.78%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$1,569,191
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$1,569,191
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$1,317,988
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$63,874
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$1,381,862
Maximum Expense Limit for Board & System Administration (Step 3)		\$1,569,191
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$187,329

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$574,265
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$2,799,445	
Less: SGF - related cost recoveries (Note 3)	\$1,972,783	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$826,662	
Plus: Donations Received (Note 5)	\$14,625	
Equals: Net Additions to SGF		\$841,287
Net SGF Available for discretionary spending		\$1,415,552
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$710,525
Unexpended SGF - Closing Balance August 31, 2004		\$705,027

Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap.

Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries.

Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.

Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.

Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,182,447	\$197,368	\$0	\$0	\$0	\$1,379,815		\$1,379,815
Uncertificated benefits	\$264,345	\$46,708	\$0	\$0	\$0	\$311,053		\$311,053
Sub-total Remuneration	\$1,446,792	\$244,076	\$0	\$0	\$0	\$1,690,868		\$1,690,868
Contracted Services	\$360,025	\$107,858	\$0	\$264,108	\$66,913	\$798,904		\$798,904
Supplies	\$138,052	\$24,148	\$0	\$0	\$0	\$162,200		\$162,200
Electricity			\$682,726			\$682,726		\$682,726
Natural Gas/Heating Fuel			\$318,653			\$318,653		\$318,653
Sewer and Water			\$137,818			\$137,818		\$137,818
Telecommunications			\$0			\$0		\$0
Insurance			\$0			\$0		\$0
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,034,078	\$1,034,078
Unsuported						\$14,592		\$14,592
Total Amortization						\$14,592	\$1,034,078	\$1,048,670
Interest on capital debt								
Supported							\$401,793	\$401,793
Unsuported				\$0		\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,944,869	\$376,082	\$1,139,197	\$264,108	\$66,913	\$3,805,761	\$1,435,871	\$5,241,632
SQUARE METRES								
School Buildings								55,288.0
Non School Buildings								1,163.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	5.0						
Contracted Services	0.0	0.0						

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name L. Dolen-Sweder	1.0	\$6,730	\$1,188	\$3,420			\$11,338	\$7,990
Name	0.0	\$0	\$0				\$0	\$0
Other Board Members:								
Name F. Williams	1.0	\$5,423	\$714	\$2,712			\$8,849	\$5,665
Name C. Spearman	1.0	\$5,541	\$151	\$2,712			\$8,404	\$1,744
Name M. Welsch	1.0	\$5,423	\$1,510	\$2,712			\$9,645	\$8,044
Name S. Sawicki	1.0	\$5,423	\$264	\$2,712			\$8,399	\$2,477
Name K. Traich	1.0	\$5,423	\$994	\$2,712			\$9,129	\$1,206
Name D. Demers	1.0	\$5,423	\$1,510	\$2,712			\$9,645	\$3,734
Name G. Cormican	1.0	\$5,423	\$95	\$2,712			\$8,230	\$1,294
Name A. Bergen-Henengouwen	1.0	\$5,423	\$2,205	\$2,712			\$10,340	\$2,792
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Name	0.0	\$0	\$0				\$0	\$0
Subtotal	9.0	\$50,232	\$8,631	\$25,116			\$83,979	\$34,946
Superintendent F. Letan	1.0	\$114,125	\$9,419	\$3,000	\$0	\$0	\$126,544	\$16,471
Superintendent D. Keohane	0.2	\$20,833	\$2,737	\$0	\$0	\$0	\$23,570	\$0
Secretary/Treasurer V. Prie	1.0	\$96,180	\$15,798	\$2,000	\$0	\$0	\$113,979	\$6,813
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	248.4	\$17,088,146	\$2,027,150	\$30,428	\$0	\$0	\$19,145,724	
Uncertificated Salaries & Wages	192.5	\$5,469,637	\$1,238,623	\$3,309	\$0	\$0	\$6,711,569	
TOTALS		\$22,838,153	\$3,302,359	\$63,853	\$0	\$0	\$26,205,365	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

Note 1) Mr David Keohane became Superintendent on July 1, 2004.

Note 2) Mr Frans Letan did not receive any retiring allowance, vacation payout, or partial year payment.

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

* **Horizon School Division No. 67**

Legal Name of School Jurisdiction

6302 - 56 Street, Taber, AB T1G 1Z9

Mailing Address

403-223-3547

403-223-2999

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules _____ Horizon School Division No. 67
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Bruce Francis

Name

"Original Signed"

Signature

SUPERINTENDENT

Eric Johnson

Name

"Original Signed"

Signature

SECRETARY TREASURER OR TREASURER

John Rakai

Name

"Original Signed"

Signature

"Original Dated Nov. 29, 2004"

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Mills Unrau Gerlock

Chartered Accountants

R.D. Unrau, B.Comm., C.A.*

T.R. Gerlock, B.M.A., C.A.*

L.D. Mills, C.A. (Ret)

To the Board of Trustees
Horizon School Division No. 67:

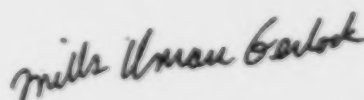
We have audited the statement of financial position of the Horizon School Division No. 67 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school division's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school division as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Taber, Alberta
November 29, 2004



Chartered Accountants

4713-55th Street, Taber, Alberta T1G 1W6

Phone: (403) 223-3581 Fax: (403) 223-8695

E-MAIL: mugca@ta.monarch.net

© denotes professional registration

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$6,144,980	\$7,901,468
Accounts receivable (net after allowances)		\$1,805,096	\$771,578
Prepaid expenses		\$0	\$0
Other current assets		\$0	\$0
Total current assets		\$7,950,076	\$8,673,046
School generated assets		\$620,616	\$678,628
Trust assets			
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$501,092	\$501,092
Buildings	\$26,848,647		
Less: accumulated amortization	(\$11,741,725)	\$15,106,922	\$13,499,258
Equipment	\$1,363,180		
Less: accumulated amortization	(\$809,767)	\$553,413	\$566,240
Vehicles	\$507,530		
Less: accumulated amortization	(\$365,381)	\$142,149	\$188,638
Total capital assets		\$16,303,576	\$14,755,228
TOTAL ASSETS		\$24,874,268	\$24,106,902
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$360,202	\$209,864
Deferred revenue		\$113,048	\$306,333
Deferred capital allocations		\$1,944,222	\$1,538,033
Current portion of all long term debt		\$141,089	\$193,197
Total current liabilities		\$2,558,561	\$2,247,427
School generated liabilities		\$620,616	\$678,628
Trust liabilities			
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$1,094,398	\$1,287,595
Less: Current portion of supported debt		(\$141,089)	(\$193,197)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$11,871,875	\$10,478,402
Total long term liabilities		\$13,445,800	\$12,251,428
TOTAL LIABILITIES		\$16,004,361	\$14,498,855
NET ASSETS			
Unrestricted net assets		\$3,588,911	\$3,776,267
Operating Reserves		\$1,715,795	\$2,116,319
Accumulated Operating Surplus (Deficit)		\$5,304,706	\$5,892,586
Investment in capital assets		\$3,337,302	\$2,989,232
Capital Reserves		\$227,899	\$726,229
Total Capital Funds		\$3,565,201	\$3,715,461
Total net assets		\$8,869,907	\$9,608,047
TOTAL LIABILITIES AND NET ASSETS		\$24,874,268	\$24,106,902

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31
(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$24,277,461	\$23,862,743	\$23,805,098
Alberta Infrastructure	\$2,775,742	\$2,529,928	\$2,839,635
Alberta Finance	\$127,952	\$127,721	\$149,171
Other Government of Alberta	\$64,092	\$40,194	\$42,029
Federal Government and/or First Nations	\$0	\$1,300	\$0
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$229,658	\$219,675	\$250,697
Transportation fees	\$13,384	\$0	\$12,627
Other sales and services	\$56,261	\$14,384	\$62,078
Investment income	\$168,586	\$176,000	\$261,373
Gifts and donations	\$4,081	\$0	\$129,043
Rentals of facilities	\$31,687	\$10,575	\$11,689
Net school generated funds	\$1,230,838	\$750,000	\$985,364
Gains on disposal of capital assets	\$16,446	\$0	\$16,765
Amortization of capital allocations	\$431,497	\$411,178	\$416,945
Total Revenues	\$29,427,685	\$28,143,698	\$28,982,514
EXPENSES			
Certificated salaries	\$14,438,338	\$13,909,446	\$13,640,787
Certificated benefits	\$1,534,752	\$1,419,090	\$1,463,148
Uncertificated salaries and wages	\$4,838,082	\$4,402,105	\$4,585,174
Uncertificated benefits	\$800,219	\$695,472	\$719,152
Services, contracts and supplies	\$6,489,156	\$6,761,089	\$6,702,353
Net school generated funds	\$1,230,838	\$750,000	\$985,364
Capital and debt services			
Amortization of capital assets			
Supported	\$431,497	\$411,178	\$416,945
Unsupported	\$242,941	\$226,731	\$271,667
Total Amortization of capital assets	\$674,438	\$637,909	\$688,612
Interest on capital debt			
Supported	\$127,722	\$127,721	\$149,171
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$127,722	\$127,721	\$149,171
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$32,280	\$0	\$45,642
Total Expenses	\$30,165,825	\$28,702,832	\$28,979,403
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$738,140)	(\$559,134)	\$3,111
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$738,140)	(\$559,134)	\$3,111

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$738,140)	\$3,111
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$431,497)	(\$416,945)
Total amortization expense	\$674,438	\$688,612
Gains on disposal of capital assets	(\$16,446)	(\$16,765)
Losses on sale of capital assets	\$32,280	\$45,642
Changes in accrued accounts:		
Accounts receivable	(\$1,033,518)	\$10,952
Prepays and other current assets	\$0	\$11,667
Long term accounts receivable	\$0	
Long term investments	\$0	
Payables and accrued liabilities	\$150,338	\$28,869
Deferred revenue	(\$193,285)	(\$565,162)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$1,555,830)	(\$210,019)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$120,147)
Buildings	(\$2,087,854)	(\$1,307,352)
Equipment	(\$194,576)	(\$205,601)
Vehicles	(\$23,420)	(\$27,503)
Net proceeds from disposal of capital assets	\$67,230	\$52,966
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$2,238,620)	(\$1,607,637)
C. FINANCING ACTIVITIES		
Capital allocations received	\$2,037,962	\$591,140
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$193,197)	(\$248,631)
Add back: supported portion	\$193,197	\$248,631
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$2,037,962	\$591,140
Net sources (uses) of cash equivalents* during year	(\$1,756,488)	(\$1,226,516)
Cash Equivalents at the beginning of the year	\$7,901,468	\$9,127,984
Cash Equivalents at the end of the year	\$6,144,980	\$7,901,468

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

	(1)	(2)	(3)	(4)	(5) RESTRICTED NET ASSETS										(12)	(13)	(14)
					(6) (in dollars)												
					(7)		(8)		(9)		(10)		(11)				
TOTAL NET ASSETS (Columns 2+3+4)	INVESTMENT IN CAPITAL ASSETS	UNRESTRICTED NET ASSETS	TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	School Based	Infrastructure	Board & System Admin.	Transportation	External Services	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves	Unsupp'd Operating Reserves	Unsupp'd Capital Reserves			
Balance at August 31, 2003	\$9,608,047	\$2,989,232	\$3,776,267	\$2,842,548	\$2,101,319	\$0	\$0	\$15,000	\$0	\$0	\$728,279	\$0	\$0				
Prior period adjustments (disclosed)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Adjusted Balance, Aug 31, 2003	\$9,608,047	\$2,989,232	\$3,776,267	\$2,842,548	\$2,101,319	\$0	\$0	\$15,000	\$0	\$0	\$728,279	\$0	\$0				
Surplus/(def) of revenue over expenses	(\$738,140)		(\$738,140)														
Board funded capital transactions		\$674,075	(\$608,845)	(\$67,230)	(\$67,230)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Donations of non-amortizable assets	\$0	\$0															
Amortization of capital assets		(\$674,438)	\$674,438														
Amortization of capital allocations		\$431,497	(\$431,497)														
Disposal of unsupported capital assets	\$0	(\$83,084)	\$15,834	\$67,230	\$67,230		\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Disposal of supported capital assets unsupported portion	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Debt principal payments (unsupported)		\$0	\$0	\$0	\$0												
Net transfers to operating reserves			(\$540,927)	\$540,927	\$535,927	\$0	\$0	\$5,000	\$0	\$0	\$0	\$0	\$0				
Net transfers from operating reserves			\$941,451	(\$941,451)	(\$941,451)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Net transfers to capital reserves			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Net transfers from capital reserves			\$498,330	(\$498,330)		\$0	\$0	\$0	\$0	\$0	(\$498,330)	\$0	\$0				
Balance at August 31, 2004	\$8,869,907	\$3,337,302	\$3,588,911	\$1,685,795	\$1,685,795	\$0	\$0	\$20,000	\$0	\$0	\$277,899	\$0	\$0				

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$1,538,033	\$10,478,402
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$2,016,819	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$21,143	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$193,197
Expended capital allocations - current year	(\$1,631,773)	\$1,631,773
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$431,497
Balance at August 31, 2004	\$1,944,222	\$11,871,875

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

HORIZON SCHOOL DIVISION No. 67

NOTES TO THE AUDITED FINANCIAL STATEMENTS

AUGUST 31, 2004

1. Authority and Purpose

The School Jurisdiction delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The School Jurisdiction receives block allocations for instructions and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principals (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

b) Capital Assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight line basis at the following rates:

Buildings	2.5% to 4.0%
Equipment	10.0% and 20.0%
Vehicles	10.0% and 20.0%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for assets are amortized over the same period as the related asset.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school jurisdiction to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling and determining these hours fair value and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

f) Pensions

Pension costs included in these financial statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Horizon School Division No. 67 does not make pension contributions for certificated staff.

The school jurisdiction participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$114,128.60 for the year ended August 31, 2004. At

December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

g) Financial Instruments

The school jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the school jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of the financial instruments approximate their carrying values. The school jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the school jurisdiction to set aside funds for future operating and capital expenditures. Such reserves are appropriations of accumulated surplus.

3. ACCOUNTS RECEIVABLES

	2004	2003
Province of Alberta	\$ 1,490,209	\$ 483,578
Federal Government	221,785	168,853
Other	93,102	119,147
Total	\$1,805,096	\$ 771,578

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$400,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31 2004.

5. ACCOUNTS PAYABLE AND LIABILITIES

	2004	2003
Province of Alberta	\$ 180,268	\$ 108,465
Other Trade Payables and Accrued Liabilities	179,934	101,219
Total	\$ 360,202	\$ 209,684

6. DEFERRED REVENUE

	2004	2003
One time Transportation grant		\$ 38,700
Operations and Maintenance		86,744
Learning Technology Branch Math Project	\$ 3,368	
A.I.S.I.	54,510	59,255
Alberta Ingenuity - Science Boxes	1,000	
IMP (previously BQRP) & Block Mod. Funding	54,170	110,951
Other		10,683
Total	\$ 113,048	\$ 306,333

7. LONG-TERM DEBT

Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years are as follows:

	Principal	Interest	Total
2004-2005	\$ 141,089	\$ 119,655	\$ 260,744
2005-2006	127,790	104,408	232,198
2006-2007	127,743	90,371	218,114
2007-2008	127,720	76,338	204,058
2008 to maturity	570,056	186,719	756,775
Total	<u>\$ 1,094,398</u>	<u>\$ 577,491</u>	<u>\$ 1,671,889</u>

8. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdiction, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

Capital received for capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured cap funds, as the principal is repaid.

10. COMMITMENTS

a) Building Projects

The jurisdiction is committed to further capital expenditures for the addition and modernization of Central School (Taber) for approximately \$2,800,000. In 2004 the addition and modernization of the Chamberlain School (Grassy Lake) commenced. The total approved funding for the Chamberlain School project is approximately \$4,510,000. Approximately \$1,490,000 has been paid to cover construction in progress to August 31, 2004 with work to be completed of approximately \$3,020,000.

In comparison to last year's stated Chamberlain School project budget of approximately \$4,700,000, \$250,000 has been approved for structural corrections at Warner School.

It is anticipated that both of the above projects will be completed in 2004-2005 and that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

The jurisdiction is also committed to expenditures for completion of a maintenance shop with total approved funding of approximately \$500,000. Approximately \$43,920 of work remains to complete the project. These costs will be fully funded by use of approved Capital Reserves.

b) Service Providers

As at August 31, 2004, the jurisdiction has approximately \$2,200,000 annually for the next three years in commitments relating to transportation service contracts.

11. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The school jurisdiction's primary source of income is from the Alberta Government. The jurisdiction's ability to continue viable operations is dependent on this funding.

12. CASH FLOW INFORMATION

	<u>2004</u>	<u>2003</u>
Interest paid	\$139,083	\$162,973

13. BUDGET AMOUNTS

The 2004 budget presented in the Statement of Revenues and Expenses was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

14. CONTINGENT LIABILITIES

The jurisdiction is unaware of any possible claims. In management's opinion, should claims develop, an adverse resolution of these matters would not have a material impact on operations or the jurisdiction's financial position.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$18,705,789	\$954,144	\$17,751,645						
(2) Support block	\$3,802,150	\$0	\$521,028		\$2,546,947			\$1,255,203	
(3) Instruction & support block reallocations	\$0	\$0	\$421,025		(\$337,873)			(\$183,155)	\$0
(4) Alberta Initiative for School Improvement (AISII)	\$421,025	\$0	\$156,832					\$0	\$0
(5) Student Health Initiative (SHI)	\$198,032	\$0	\$0					\$0	\$0
(6) Supernet Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$774,000	\$29,025	\$744,975					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0							\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0							\$0	\$0
(10) Other Alberta Learning revenues	\$417,665	\$0	\$417,665	\$0	\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$24,277,461	\$983,169	\$23,013,770	\$0	\$2,209,074			\$1,072,048	\$0
Alberta Infrastructure									
(12) Expensed IMP (BORP) support & portable relocations	\$216,027			\$216,027					
(13) Operations & Maintenance support	\$2,559,115			\$2,559,115					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$2,775,142			\$2,775,142					
(16) Alberta Finance	\$127,852			\$127,852					
(17) Other - Government of Alberta	\$54,092	\$0	\$54,099	\$5,593	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$229,658	\$7,789	\$221,869		\$13,384				
(23) Transportation fees	\$13,384				\$0			\$0	\$0
(24) Other sales and services	\$56,261	\$0	\$53,392	\$2,879	\$8,429			\$16,658	\$0
(25) Investment income	\$168,586	\$0	\$134,870	\$6,429	\$0			\$0	\$0
(26) Gifts and donations	\$4,081	\$0	\$4,081	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$31,687	\$0	\$0	\$26,477	\$5,210			\$0	\$0
(28) Net school generated funds	\$1,230,838	\$0	\$1,230,838	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$16,446	\$0	\$16,446	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$431,487	\$0	\$0	\$431,487	\$0			\$0	\$0
(31) TOTAL REVENUES	\$29,427,605	\$990,258	\$27,733,155	\$3,378,569	\$2,226,097			\$1,088,906	\$0
EXPENSES									
(32) Certificated salaries	\$14,438,338	\$427,939	\$13,775,668				\$236,731	\$236,731	\$0
(33) Certificated benefits	\$1,534,752	\$46,699	\$1,470,630				\$17,423	\$17,423	\$0
(34) Uncertificated salaries and wages	\$4,838,082	\$296,040	\$3,501,006	\$593,803	\$18,625	\$64,875	\$391,723	\$456,598	\$0
(35) Uncertificated benefits	\$800,219	\$39,820	\$565,998	\$595,214	\$3,793	\$1,908	\$18,686	\$80,594	\$0
(36) SUB - TOTAL	\$21,611,391	\$810,298	\$19,328,302	\$659,017	\$22,428	\$66,783	\$724,503	\$191,948	\$0
(37) Services, contracts & supplies	\$6,485,156	\$48,452	\$2,002,662	\$1,908,813	\$2,215,669	\$31,342	\$246,218	\$297,560	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$1,230,838	\$0	\$1,230,838	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets	\$431,487	\$0	\$0	\$431,487	\$0		\$0	\$0	\$0
(40) Supported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(41) Unsupported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(42) Total Amortization	\$431,487	\$0	\$0	\$431,487	\$0		\$0	\$0	\$0
Interest on capital debt	\$127,722	\$0	\$0	\$127,722	\$0		\$0	\$0	\$0
(43) Supported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$12,280	\$0	\$0	\$0	\$0		\$0	\$0	\$0
(47) TOTAL EXPENSES	\$10,655,825	\$858,750	\$12,280,082	\$3,397,895	\$2,226,097	\$118,125	\$970,781	\$1,088,906	\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	(\$128,140)	\$132,208	(\$460,927)	(\$8,421)	\$0			\$0	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$11,304,981	\$1,474,820		\$487,799	\$319,765	\$185,985	\$318
Certificated benefits	\$1,235,985	\$131,180		\$50,673	\$33,521	\$19,251	\$20
Uncertificated salaries and wages	\$1,038,476	\$605,268		\$541,952	\$1,055,388	\$173,527	\$88,395
Uncertificated benefits	\$165,693	\$130,368		\$83,156	\$159,143	\$159,143	\$15,793
SUB - TOTAL REMUNERATION	\$13,745,135	\$2,341,636	\$0	\$1,163,580	\$1,567,817	\$405,608	\$104,526
Services, contracts & supplies	\$1,727,476	\$76,071	\$10,915	\$22,056	\$31,648	\$108,565	\$25,921
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$1,230,838						\$1,230,838
Amortization of capital assets							
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$0	\$0				\$0
Total Amortization	\$0	\$0	\$0				\$0
Interest on capital debt							\$0
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$0	\$0				\$0
Other interest charges							\$0
Losses on disposal of capital assets	\$32,280	\$2,417,707	\$10,915	\$1,185,646	\$1,599,465	\$514,173	\$130,447
TOTAL EXPENSES	\$16,735,729			6.6	4.4		\$32,280
FTE Certificated				27.0	61.0		\$22,594,082
FTE Uncertificated							

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction	\$14,681,496	\$1,547,596	\$1,498,116	\$521,028	\$18,248,236	\$17,181,245	\$1,066,991
School Admin & Instruction Support Expenses						\$2,417,707	(\$2,417,707)
System Instruction Support Expenses						\$10,915	(\$10,915)
Total Basic Instruction	\$14,681,496	\$1,547,596	\$1,498,116	\$521,028	\$18,248,236	\$19,609,867	(\$1,361,631)
Sub-Programs & Initiatives							
Severely Disabled	\$1,285,900	\$65,682	\$0		\$1,351,582	\$1,599,465	(\$247,883)
English as a Second Language	\$377,568				\$377,568	\$297,668	\$79,900
Enhanced Opportunities	\$34,445				\$34,445	\$40,554	(\$6,109)
First Nations, Metis, and Inuit Education	\$38,760		\$0		\$38,760	\$49,728	(\$10,968)
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$863,841				\$863,841	\$863,841	\$0
Growth & Density	\$69,282				\$69,282	\$69,282	\$0
Teacher Assistants Program	\$73,533				\$73,533	\$29,283	\$44,250
Early Literacy Initiative (K-2)	\$145,309				\$145,309	\$127,738	\$17,571
Learning Resources Credit & Resources for the Classroom	\$34,685	\$127,219	\$221,869		\$383,773	\$399,360	(\$15,587)
Technology Integration	\$145,596		\$0		\$145,596	\$439,199	(\$293,603)
French Language Program & Francisation (all jurisdictions)	\$1,220	\$1,220	\$0		\$2,440	\$1,220	\$1,220
Home Education	\$0	\$0	\$0		\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$3,070,149	\$1,740,497	\$221,869		\$3,484,915	\$2,984,215	\$500,704
INSTRUCTION, GRADES 1-12	\$17,751,645	\$1,740,497	\$1,719,985	\$521,028	\$21,733,155	\$22,594,082	(\$860,927)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$18,560,193
Support Block - Transportation	\$2,546,947
SUBTOTAL	\$21,107,140
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$2,559,115
Teacher Salary Enhancement	\$774,000
Other Alberta Learning revenues (Describe) Unfunded Cost Pressures & LTB Math Project	\$139,578
Other - Government of Alberta (Excluding Alberta Finance)	\$64,092
Federal government/First Nations	\$0
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$56,261
Interest on investments	\$168,586
Rentals of facilities	\$31,687
Gains on disposal of capital assets	\$16,446
Amortization of capital allocations	\$431,497
School generated funds (Schedule E)	\$1,585,762
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$26,934,164
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.35%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,440,978
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,440,978
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,088,906
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$5,000
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,093,906
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,440,978
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$347,072

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$678,628
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,585,762	
Less: SGF - related cost recoveries (Note 3)	\$412,936	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$1,172,826	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		\$1,172,826
Net SGF Available for discretionary spending		\$1,851,454
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$1,230,838
Unexpended SGF - Closing Balance August 31, 2004		\$620,616
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations and Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$197,641	\$273,133	\$0	\$1,868	\$91,061	\$563,803		\$563,803
Uncertificated benefits	\$32,636	\$46,304	\$0	\$55	\$14,129	\$93,214		\$93,214
Sub-total Remuneration	\$230,277	\$321,527	\$0	\$2,023	\$105,190	\$659,017		\$659,017
Contracted Services	\$525,974	\$134,320		\$88,212	\$22,341	\$770,847		\$770,847
Supplies	\$103,928	\$114,403		\$126,392	\$40,803	\$385,526		\$385,526
Electricity			\$319,299			\$319,299		\$319,299
Natural Gas/Heating Fuel			\$233,724			\$233,724		\$233,724
Sewer and Water			\$45,508			\$45,508		\$45,508
Telecommunications			\$4,333			\$4,333		\$4,333
Insurance					\$167,576	\$167,576		\$167,576
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported							\$431,497	\$431,497
Total Amortization						\$242,941		\$242,941
Interest on capital debt						\$242,941	\$431,497	\$674,438
Supported								
Unsupported							\$127,722	\$127,722
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$860,179	\$570,250	\$602,864	\$216,627	\$335,910	\$2,828,771	\$559,219	\$3,387,990
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	5.1	7.0						53,395.7
Contracted Services	19.1	2.0						2,686.3

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name	1.0	\$9,304	\$263	\$0	\$0		\$9,567	\$669
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name	1.0	\$9,098	\$261	\$0	\$0		\$9,359	\$2,237
Name	1.0	\$9,098	\$261	\$0	\$0		\$9,359	\$3,800
Name	1.0	\$9,262	\$316	\$0	\$0		\$9,578	\$715
Name	1.0	\$9,098	\$261	\$0	\$0		\$9,359	\$3,611
Name	1.0	\$9,052	\$261	\$0	\$0		\$9,313	\$1,386
Name	1.0	\$9,963	\$285	\$0	\$0		\$10,248	\$6,303
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	7.0	\$64,875	\$1,908	\$0	\$0		\$66,783	\$18,801
Superintendent	1.0	\$125,000	\$7,320	\$0	\$0	\$0	\$132,320	\$17,509
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	1.0	\$92,500	\$17,991	\$0	\$0	\$0	\$110,491	\$6,619
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	210.8	\$14,313,338	\$1,527,432	\$0	\$0	\$0	\$15,840,770	
Uncertificated Salaries & Wages	190.1	\$4,660,707	\$760,320	\$0	\$0	\$0	\$5,461,027	
TOTALS		\$19,276,420	\$2,334,971	\$0	\$0	\$0	\$21,611,391	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150

Legal Name of School Jurisdiction

4810-46 Street Bonnyville, Alberta T9N 2R2

Mailing Address

Telephone: 780-826-3235 Fax: 780-826-7576

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Maurice Campeau

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Bernadette Provost

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Doug Ewanowich

Name

"ORIGINAL SIGNED"

Signature

29-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Brian W. Ross*, C.A.
Beverley Topylki*, C.A.

* Denotes Professional Corporation

○ Limited Liability Partnership

AUDITORS' REPORT

Bonnyville

Phone: (780) 826-4469

(780) 826-3188

Fax: (780) 826-3705

Cold Lake

Phone: (780) 594-5554

Fax: (780) 594-2824

To the Board of Trustees of:
Lakeland Roman Catholic Separate School District No. 150

We have audited the statement of financial position of the Lakeland Roman Catholic Separate School District No. 150 (School District) as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the School District as at August 31, 2004, and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bonnyville, Alberta
November 10, 2004

Ross & Topylki
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$2,977,742	\$4,250,557
Accounts receivable (net after allowances)		\$1,100,190	\$984,973
Prepaid expenses		\$105,465	\$149,586
Other current assets		\$180,993	\$302,757
Total current assets		\$4,364,390	\$5,687,873
School generated assets			
		\$135,350	\$115,724
Trust assets			
		\$10,760	\$10,854
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$513,006	\$519,760
Buildings	\$17,784,673		
Less: accumulated amortization	(\$9,286,850)	\$8,497,823	\$8,154,610
Equipment	\$876,066		
Less: accumulated amortization	(\$676,554)	\$199,512	\$283,127
Vehicles	\$169,437		
Less: accumulated amortization	(\$118,727)	\$50,710	\$69,525
Total capital assets		\$9,261,051	\$9,027,022
TOTAL ASSETS		\$13,771,551	\$14,841,473
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$847,048	\$1,371,705
Deferred revenue		\$262,885	\$641,375
Deferred capital allocations		\$0	\$0
Current portion of all long term debt		\$368,311	\$368,312
Total current liabilities		\$1,478,244	\$2,381,392
School generated liabilities			
		\$135,350	\$115,724
Trust liabilities			
		\$10,760	\$10,854
Employee future benefits liability			
		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$2,666,347	\$3,034,658
Less: Current portion of supported debt		(\$368,311)	(\$368,312)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$4,846,991	\$4,510,689
Total long term liabilities		\$7,291,137	\$7,303,613
TOTAL LIABILITIES		\$8,769,381	\$9,685,005
NET ASSETS			
Unrestricted net assets		(\$0)	\$0
Operating Reserves		\$2,138,551	\$2,422,864
Accumulated Operating Surplus (Deficit)		\$2,138,551	\$2,422,864
Investment in capital assets		\$1,747,712	\$1,481,675
Capital Reserves		\$1,115,907	\$1,251,929
Total Capital Funds		\$2,863,619	\$2,733,604
Total net assets		\$5,002,170	\$5,156,468
TOTAL LIABILITIES AND NET ASSETS		\$13,771,551	\$14,841,473

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$13,005,947	\$13,123,877	\$12,546,256
Alberta Infrastructure	\$1,768,393	\$1,594,508	\$1,562,079
Alberta Finance	\$297,332	\$687,655	\$335,621
Other Government of Alberta	\$0	\$3,800	\$24,650
Federal Government and/or First Nations	\$612,286	\$427,195	\$555,360
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$6,000	\$0	\$2,000
Alberta Municipalities	\$1,138	\$0	(\$1,138)
Instruction resource fees	\$50,368	\$61,795	\$52,541
Transportation fees	\$0	\$0	\$0
Other sales and services	\$25,978	\$0	\$13,129
Investment income	\$104,909	\$120,000	\$138,006
Gifts and donations	\$43,146	\$0	\$41,227
Rentals of facilities	\$0	\$0	\$0
Net school generated funds	\$408,886	\$270,000	\$435,369
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$646,444	\$637,466	\$645,430
Total Revenues	\$16,970,827	\$16,926,296	\$16,350,530
EXPENSES			
Certificated salaries	\$8,261,744	\$8,462,983	\$7,945,068
Certificated benefits	\$1,031,420	\$1,030,038	\$1,042,222
Uncertificated salaries and wages	\$2,648,778	\$2,502,229	\$2,600,417
Uncertificated benefits	\$699,270	\$591,849	\$622,490
Services, contracts and supplies	\$3,012,843	\$3,010,856	\$2,900,577
Net school generated funds	\$408,886	\$270,000	\$435,369
Capital and debt services			
Amortization of capital assets			
Supported	\$646,444	\$637,466	\$645,430
Unsupported	\$118,408	\$101,531	\$154,183
Total Amortization of capital assets	\$764,852	\$738,997	\$799,613
Interest on capital debt			
Supported	\$297,332	\$319,344	\$335,621
Unsupported	\$0	\$0	\$0
Total interest on capital debt	\$297,332	\$319,344	\$335,621
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$17,125,125	\$16,926,296	\$16,681,377
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$154,298)	\$0	(\$330,847)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$154,298)	\$0	(\$330,847)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$154,298)	(\$330,847)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$646,444)	(\$645,430)
Total amortization expense	\$764,852	\$799,613
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$115,217)	(\$184,129)
Prepays and other current assets	\$165,885	(\$237,859)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$524,657)	\$546,672
Deferred revenue	(\$378,490)	\$105,132
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$888,369)	\$53,152
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	(\$374)
Buildings	(\$571,131)	(\$158,471)
Equipment	(\$11,420)	(\$139,237)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$582,551)	(\$298,082)
C. FINANCING ACTIVITIES		
Capital allocations received	\$198,105	\$177,553
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$368,311)	(\$368,312)
Add back: supported portion	\$368,311	\$368,311
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$198,105	\$177,552
Net sources (uses) of cash equivalents* during year	(\$1,272,815)	(\$67,378)
Cash Equivalents at the beginning of the year	\$4,250,557	\$4,317,935
Cash Equivalents at the end of the year	\$2,977,742	\$4,250,557

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1)	(2)	(3)	(4)	(5) RESTRICTED NET ASSETS										(13)	(14)
					(6)											
					(7) School Based		(8) Infrastructure		(9) Board & System Admin.		(10) Transportation		(11) External Services			
					(12) Unrestricted Operating Reserves	(13) Unrestricted Capital Reserves	(14) Unrestricted Operating Reserves	(15) Unrestricted Capital Reserves	(16) Unrestricted Operating Reserves	(17) Unrestricted Capital Reserves	(18) Unrestricted Operating Reserves	(19) Unrestricted Capital Reserves	(20) Unrestricted Operating Reserves	(21) Unrestricted Capital Reserves		
Balance at August 31, 2003	\$5,156,468	\$1,481,675	\$0	\$3,674,793	\$1,702,689	\$500,648	\$486,335	\$129,617	\$223,651	\$321,694	\$0	\$0	\$0			
Prior period adjustments (describe)																
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
Adjusted Balance, Aug 31, 2003	\$5,156,468	\$1,481,675	\$0	\$3,674,793	\$1,702,689	\$500,648	\$486,335	\$129,617	\$223,651	\$321,694	\$0	\$0	\$0			
Surplus(def) of revenue over expenses	(\$154,289)		(\$154,289)													
Board funded capital transactions		\$384,445	\$0	(\$384,445)		(\$25,847)	\$0	(\$9,462)	\$0	(\$352,139)	\$0	\$0	\$0			
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		(\$764,852)	\$764,852													
Amortization of capital allocations		\$648,444	(\$648,444)													
Deposit of unsupported capital assets	\$0	\$0	\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0			
Deposit of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0		\$0	\$0	\$0	\$0	\$0	\$0			
Debt principal payments (unsupported)		\$0	\$0										\$0			
Net transfers to operating reserves			(\$126,865)	\$126,865	\$63,074		\$0			\$42,851	\$0	\$0	\$0			
Net transfers from operating reserves			\$410,978	(\$410,978)	(\$285,847)		(\$27,424)			(\$97,707)	\$0	\$0	\$0			
Net transfers to capital reserves			(\$248,423)	\$248,423		\$25,647		\$104,727		\$117,849	\$0	\$0	\$0			
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0	\$0	\$0	\$0			
Balance at August 31, 2004	\$5,002,170	\$1,747,712	\$0	\$3,254,458	\$1,501,025	\$800,648	\$654,911	\$227,852	\$178,615	\$417,727	\$0	\$0	\$0			

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$4,510,689
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$198,105	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$416,330
Current Year Debenture Principal Repayment		\$368,311
Expended capital allocations - current year	(\$198,105)	\$198,105
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$646,444
Balance at August 31, 2004	\$0	\$4,846,991

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

1. AUTHORITY AND PURPOSE

The School District delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3.

The School District receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School District is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

(a) Revenue recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital allocations until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment contributions are recognized as direct increases in net assets in the period in which they are received.

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

2. ACCOUNTING POLICIES, Continued

(b) Capital assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight line basis, at the following rates:

Buildings	2.5%, 4% and 10%
Equipment	10% and 20%
Vehicles	10% and 20%

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

(c) School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation Pay

Vacation Pay is accrued in the period in which the employee earns the benefit.

(e) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School District does not make pension contributions for certificated staff.

(f) Other current assets

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

2. ACCOUNTING POLICIES, Continued

(g) Contributed services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board, to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

(i) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

3. TRUST ASSETS AND LIABILITIES

This balance represents cash that is held in trust by the jurisdiction for a scholarship trust.

4. ACCOUNTS RECEIVABLE

	2004	2003
Province of Alberta	\$656,799	\$501,159
Federal Government	199,595	170,195
Alberta Municipalities	200,055	209,998
Other receivables	43,741	103,621
	<u>\$1,100,190</u>	<u>\$984,973</u>

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

5. ACCOUNTS PAYABLE

	2004	2003
Province of Alberta	\$450,204	\$395,244
Federal Government	-	40,018
Other trade payables and accrued liabilities	396,843	936,432
	<u>\$847,047</u>	<u>\$1,371,705</u>

6. DEFERRED REVENUE

	2004	2003
1999 One Time Grant	\$219,066	\$219,066
BQRP 2001	-	56,514
BQRP 2003	-	169,530
One Time Operations and Maintenance Support	-	54,769
Other Grants	43,819	141,496
	<u>\$262,885</u>	<u>\$641,375</u>

7. LONG TERM DEBT

The debenture debt bears interest at rates varying between 9% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Treasury on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest
2005	\$368,311	\$280,531
2006	352,031	241,717
2007	331,581	204,746
2008	319,812	170,093
2009	313,624	136,617
Thereafter	980,988	230,447
	<u>\$2,666,347</u>	<u>\$1,264.15</u>

8. CONTRIBUTED ASSET

During the year, Alberta Infrastructure contributed a school building worth \$416,330 to the School District to start a school in Waskatenau in the 2004/2005 school year. This was recorded as a capital allocation from Alberta Infrastructure.

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represents the School District's net investment in capital assets (other than land and equipment) purchased prior to September 1, 1995. The total debenture payments increase the balance in the unamortized capital allocations account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the unamortized capital allocations account.

10. COMMITMENTS

The School District is committed to the following minimum annual lease payments for photocopy equipment and premises pursuant to a lease expiring September, 2009 as follows:

2005	\$67,153
2006	136,000
2007	136,000
2008	136,000
2009	136,000
	<u>\$611,153</u>

The school district is also committed to further capital expenditures for a new elementary school in Cold Lake of approximately \$6,325,969. These costs will be fully funded by the capital allocations from Alberta Infrastructure.

11. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

The School District's primary source of income is from the Alberta Government. The School District's ability to continue viable operations is dependent on this funding.

12. BUDGET AMOUNTS

The budget was prepared by the School District's management and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

13. COMPARATIVE FIGURES

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to the Actual 2004 presentation.

LAKELAND ROMAN CATHOLIC SEPARATE SCHOOL DISTRICT NO. 150
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

14. FINANCIAL INSTRUMENTS

The School District's financial instruments consist of cash, accounts receivable, school generated funds, trust assets and liabilities, accounts payable and accrued liabilities and long term debt. It is management's opinion that the School District is not exposed to significant interest, currency, or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the School Act and Section 5 of the Trustees Act.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$11,082,761	\$439,089	\$10,633,682						
(2) Support block	\$744,286	\$0	\$0		\$0			\$744,286	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$250,800	\$0	\$250,800						\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0					\$0	\$0
(6) Supplement Access	\$0	\$0	\$0					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$406,000	\$0	\$406,000						\$191,108
(8) Regional P.D. Consortium (5 boards only)	\$191,108	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$249,994	\$0	\$249,994	\$0	\$0			\$0	\$0
(11) Total Alberta Learning Revenue	\$13,005,947	\$439,089	\$11,611,468		\$0			\$744,286	\$191,108
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$312,238	\$0	\$312,238						
(13) Operations & Maintenance support	\$1,455,155	\$0	\$1,455,155						
(14) Operations & Maintenance support (One-Time)	\$0	\$0	\$0						
(15) Total Alberta Infrastructure Revenue	\$1,767,393	\$0	\$1,767,393						\$0
Alberta Finance									
(16) Other - Government of Alberta	\$297,332	\$0	\$297,332	\$0	\$0				\$0
(17) Federal Government and/or First Nations	\$612,208	\$16,953	\$595,255	\$0	\$0			\$16,953	\$0
(18) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(19) Out of province authorities	\$0,000	\$0	\$0,000	\$0	\$0			\$0	\$0
(20) Alberta municipalities	\$1,138	\$0	\$1,138	\$0	\$0			\$0	\$0
(21) Instruction resource fees	\$50,368	\$1,539	\$48,829						
(22) Transportation fees	\$0	\$0	\$0						\$0
(23) Other sales and services	\$25,978	\$819	\$25,159	\$4,378	\$0			\$1,333	\$0
(24) Investment income	\$104,309	\$0	\$104,309	\$0	\$0			\$0,295	\$0
(25) Gifts and donations	\$43,149	\$0	\$43,149	\$0	\$0			\$0	\$0
(26) Rentals of facilities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(27) Net school generated funds	\$408,895	\$0	\$408,895	\$0	\$0			\$0	\$0
(28) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(29) Amortization of capital allocations	\$846,444	\$65,165	\$781,279	\$581,279	\$0			\$0	\$0
(30) TOTAL REVENUES	\$16,870,897	\$478,360	\$12,862,540	\$2,051,360	\$0			\$787,401	\$191,108
EXPENSES									
(32) Certificated salaries	\$9,281,744	\$310,322	\$7,810,833				\$140,789	\$140,789	\$0
(33) Certificated benefits	\$1,031,420	\$48,805	\$72,270				\$10,295	\$10,295	\$0
(34) Uncertificated salaries and wages	\$2,648,778	\$100,830	\$1,676,731	\$0	\$0	\$47,880	\$247,872	\$2,655,752	\$0
(35) Uncertificated benefits	\$909,270	\$25,866	\$472,504	\$147,707	\$0	\$0	\$53,091	\$53,091	\$0
(36) SUB - TOTAL	\$12,864,212	\$446,084	\$10,932,138	\$723,093	\$0	\$47,880	\$452,047	\$499,897	\$0
(37) Services, contracts & supplies	\$1,012,843	\$30,333	\$1,555,480	\$880,589	\$0	\$20,382	\$208,343	\$237,265	\$191,108
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$408,895	\$0	\$408,895	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$646,444	\$0	\$65,165	\$581,279	\$0		\$0	\$0	\$0
(41) Unsupported	\$118,608	\$0	\$29,871	\$40,078	\$0	\$0	\$7,459	\$7,459	\$0
(42) Total Amortization	\$764,992	\$0	\$95,036	\$622,358	\$0	\$0	\$7,459	\$7,459	\$0
Interest on capital debt									
(43) Supported	\$297,332	\$0	\$0	\$297,332	\$0	\$0	\$0	\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(47) TOTAL EXPENSES	\$17,103,125	\$820,417	\$12,891,550	\$2,872,342	\$0	\$76,262	\$669,448	\$744,710	\$191,108
(48) Surplus (deficit) before unrestricted revenues used for capital purposes	(\$154,288)	(\$47,057)	(\$128,890)	(\$120,882)	\$0	\$0	\$0	\$42,691	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$6,486,433	\$642,068	\$299,168	\$47,196	\$227,941	\$107,827	\$0	\$7,810,633
Certificated benefits	\$624,975	\$67,724	\$32,461	\$7,178	\$28,397	\$11,535	\$0	\$972,270
Uncertificated salaries and wages	\$76,573	\$576,789	\$215,181	\$92,124	\$841,848	\$21,216	\$0	\$1,676,731
Uncertificated benefits	\$18,191	\$157,435	\$48,236	\$28,639	\$205,326	\$14,697	\$0	\$472,504
SUB - TOTAL REMUNERATION	\$7,408,162	\$1,444,016	\$995,046	\$178,127	\$1,103,512	\$206,275	\$0	\$10,932,138
Services, contracts & supplies	\$1,209,247	\$47,890	\$171,107	\$11,568	\$69,623	\$46,055	\$0	\$1,555,490
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$408,866							\$408,866
Amortization of capital assets								
Supported	\$65,165	\$0	\$0					\$65,165
Unsupported	\$29,871	\$0	\$0					\$29,871
Total Amortization	\$95,036	\$0	\$0					\$95,036
Interest on capital debt								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0	\$0					\$0
TOTAL EXPENSES	\$9,121,331	\$1,491,906	\$766,163	\$166,895	\$1,173,135	\$252,330	\$0	\$12,991,550
FTE Certificated				0.7	3.4			
FTE Uncertificated				3.6	33.8			

SCHEDULE C to the AFS

INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction	\$6,700,442		\$641,404	\$0	\$10,198,953	\$8,667,936	\$1,331,017
School Admin & Instruction Support Expenses		\$657,107				\$1,491,906	(\$1,491,906)
System Instruction Support Expenses						\$766,163	(\$766,163)
Total Basic Instruction	\$6,700,442	\$657,107	\$641,404	\$0	\$10,198,953	\$11,125,995	(\$927,042)
Sub-Programs & Initiatives							
Severely Disabled	\$672,662	\$81,475	\$98,691		\$1,062,828	\$1,173,135	(\$120,307)
English as a Second Language	\$5,152				\$5,152	\$0	\$5,152
Enhanced Opportunities	\$27,540				\$27,540	\$13,806	\$13,734
First Nations, Metis, and Inuit Education	\$62,352		\$444,652		\$527,004	\$99,983	\$427,021
Institutional Programs	\$26,997				\$26,997	\$28,548	(\$1,551)
Sparsity & Distance	\$624,143				\$624,143		\$624,143
Growth & Density	\$0				\$0		\$0
Teacher Assistants Program	\$42,310				\$42,310	\$62,437	(\$20,127)
Early Literacy Initiative (K-2)	\$77,362				\$77,362	\$123,984	(\$46,602)
Learning Resources Credit & Resources for the Classroom	\$23,963	\$39,212	\$48,829		\$112,004	\$117,767	(\$5,763)
Technology Integration	\$66,812		\$0		\$66,812	\$126,994	(\$40,182)
French Language Program & Francisation (all jurisdictions)	\$62,794		\$17,498		\$80,292	\$118,681	(\$38,389)
Home Education	\$1,143				\$1,143	\$0	\$1,143
Total Sub-Programs & Initiatives	\$1,933,250	\$977,794	\$609,670	\$0	\$2,663,607	\$1,865,555	\$798,052
INSTRUCTION, GRADES 1-12	\$10,633,692		\$1,251,074	\$0	\$12,884,766	\$12,991,550	(\$128,990)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$11,005,949
Support Block - Transportation	\$0
SUBTOTAL	\$11,005,949
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$1,455,155
Teacher Salary Enhancement	\$468,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$0
Federal government/First Nations	\$612,286
Other Alberta school authorities	\$0
Out of province local authorities	\$6,000
Alberta municipalities	\$1,138
Other sales and services	\$25,978
Interest on investments	\$104,909
Rentals of facilities	\$0
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$646,444
School generated funds (Schedule E)	\$544,871
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$14,870,730
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.99%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$890,593
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$890,593
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$744,710
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$42,691
LESS: transfers from Restricted - Operating (Board/System Administration)	-\$97,707
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$689,694
Maximum Expense Limit for Board & System Administration (Step 3)	\$890,593
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$200,899

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)	115724	\$115,724
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)		\$544,871
Less: SGF - related cost recoveries (Note 3)		\$142,682
- capitalized at the District level (Note 4)		\$0
Net Total		\$402,189
Plus: Donations Received (Note 5)		\$26,323
Equals: Net Additions to SGF		\$428,512
Net SGF Available for discretionary spending		\$544,236
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$408,886
Unexpended SGF - Closing Balance August 31, 2004		\$135,350
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash, book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$418,155	\$151,407	\$0	\$2,594	\$3,200	\$575,356		\$575,356
Uncertificated benefits	\$113,467	\$33,410	\$0	\$602	\$228	\$147,707		\$147,707
Sub-total Remuneration	\$531,622	\$184,817	\$0	\$3,196	\$3,428	\$723,063		\$723,063
Contracted Services	\$428	\$53,551	\$0	\$306,076	\$40,061	\$400,116		\$400,116
Supplies	\$43,228	\$49,055	\$0	\$3,965	\$11,796	\$107,984		\$107,984
Electricity			\$244,431			\$244,431		\$244,431
Natural Gas/Heating Fuel			\$143,508			\$143,508		\$143,508
Sewer and Water			\$20,582			\$20,582		\$20,582
Telecommunications			\$3,596			\$3,596		\$3,596
Insurance					\$69,372	\$69,372		\$69,372
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$581,279	\$581,279
Unsupported							\$81,079	\$81,079
Total Amortization							\$581,279	\$581,279
Interest on capital debt								
Supported								
Unsupported							\$297,332	\$297,332
Other interest charges							\$0	\$0
Losses on disposal of capital assets							\$0	\$0
Cost recoveries & transfers							\$0	\$0
TOTAL EXPENSES	\$575,278	\$287,423	\$412,117	\$313,237	\$124,597	\$1,793,731	\$878,611	\$2,672,342
SQUARE METRES								
School Buildings								25,963.2
Non School Buildings								1,086.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	14.4	3.9						
Contracted Services	0.0	0.0						

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BGRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS

\$12,641,212

Note: Employed or contracted out. Please refer to completion information on page 15

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's Other (i.e. retraining allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Lethbridge School District #51

Legal Name of School Jurisdiction

433 15th Street South, Lethbridge AB T1J 2Z5

Mailing Address

Phone: 403-380-5303 Fax: 403 - 320 - 9117

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTINGThe financial statements and supporting schedules Lethbridge School District #51

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN**Maureen Calder**

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT**Mal Clewes**

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER**Don Lussier**

Name

"ORIGINAL SIGNED"

Signature

24-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

AUDITORS' REPORT

To the Board of Trustees
Lethbridge School District No. 51

We have audited the statement of financial position of the Lethbridge School District No. 51 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and deferred capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and deferred capital allocations for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lethbridge, Alberta
October 22, 2004

BDO Dunwoody LLP
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$7,490,098	\$8,770,560
Accounts receivable (net after allowances)	\$3,613,210	\$5,507,145
Prepaid expenses	\$196,314	\$278,648
Other current assets	\$89,941	\$102,389
Total current assets	\$11,389,563	\$14,658,742
School generated assets	\$844,123	\$789,007
Trust assets	\$479,238	\$440,054
Long term accounts receivable	\$0	\$27,006
Long term investments	\$0	\$0
Capital assets		
Land	\$1,715,118	\$1,715,118
Buildings	\$60,197,914	
Less: accumulated amortization	(\$23,632,042)	
Equipment	\$1,889,663	\$36,795,860
Less: accumulated amortization	(\$710,539)	
Vehicles	\$150,070	\$952,303
Less: accumulated amortization	(\$92,895)	
Total capital assets	\$57,175	\$79,265
TOTAL ASSETS	\$39,517,289	\$39,542,546
	\$52,230,213	\$55,457,355
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$3,387,331	\$5,524,131
Deferred revenue	\$984,171	\$1,154,127
Deferred capital allocations	\$2,821,147	\$4,209,145
Current portion of all long term debt	\$1,164,085	\$1,230,648
Total current liabilities	\$8,356,734	\$12,118,051
School generated liabilities	\$844,123	\$789,007
Trust liabilities	\$479,238	\$440,054
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$8,815,673	\$10,013,045
Less: Current portion of supported debt	(\$1,164,085)	(\$1,230,648)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$27,939,437	\$26,774,156
Total long term liabilities	\$36,914,386	\$36,785,614
TOTAL LIABILITIES	\$45,271,120	\$48,903,665
NET ASSETS		
Unrestricted net assets	\$429,823	\$629,863
Operating Reserves	\$3,440,918	\$2,979,136
Accumulated Operating Surplus (Deficit)	\$3,870,741	\$3,608,999
Investment in capital assets	\$2,762,184	\$2,755,350
Capital Reserves	\$326,168	\$189,341
Total Capital Funds	\$3,088,352	\$2,944,691
Total net assets	\$6,959,093	\$6,553,690
TOTAL LIABILITIES AND NET ASSETS	\$52,230,213	\$55,457,355

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$49,329,420	\$47,881,563	\$46,710,315
Alberta Infrastructure	\$6,386,805	\$5,711,611	\$5,812,512
Alberta Finance	\$1,036,917	\$1,241,000	\$1,165,625
Other Government of Alberta	\$473,045	\$0	\$486,957
Federal Government and/or First Nations	\$253,971	\$300,377	\$417,859
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$444,948	\$354,400	\$410,195
Transportation fees	\$0	\$0	\$0
Other sales and services	\$501,081	\$291,754	\$507,785
Investment income	\$212,305	\$125,000	\$280,263
Gifts and donations	\$0	\$0	\$0
Rentals of facilities	\$22,100	\$10,800	\$20,000
Net school generated funds	\$1,097,646	\$406,720	\$1,025,857
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,628,260	\$1,317,433	\$918,213
Total Revenues	\$61,386,498	\$57,640,658	\$57,755,581
EXPENSES			
Certificated salaries	\$30,161,006	\$28,991,130	\$29,156,221
Certificated benefits	\$3,703,468	\$3,757,489	\$3,498,746
Uncertificated salaries and wages	\$11,276,273	\$10,844,494	\$11,303,473
Uncertificated benefits	\$2,698,474	\$2,494,234	\$2,564,342
Services, contracts and supplies	\$9,232,986	\$9,588,744	\$8,827,696
Net school generated funds	\$1,097,646	\$406,720	\$1,025,857
Capital and debt services			
Amortization of capital assets			
Supported	\$1,628,260	\$1,317,433	\$918,213
Unsupported	\$146,065	\$136,827	\$136,477
Total Amortization of capital assets	\$1,774,325	\$1,454,260	\$1,054,690
Interest on capital debt			
Supported	\$1,036,917	\$1,241,000	\$1,165,625
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$1,036,917	\$1,241,000	\$1,165,625
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$6,541
Total Expenses	\$60,981,095	\$58,778,071	\$58,603,191
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$405,403	(\$1,137,413)	(\$847,610)
Unrestricted revenues used for capital purposes	\$0	\$0	\$252,304
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$405,403	(\$1,137,413)	(\$595,306)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$405,403	(\$595,306)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,628,260)	(\$918,213)
Total amortization expense	\$1,774,325	\$1,054,690
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$6,541
Changes in accrued accounts:		
Accounts receivable	\$1,893,935	(\$3,127,448)
Prepays and other current assets	\$94,782	(\$32,007)
Long term accounts receivable	\$27,006	
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$2,136,800)	\$1,032,449
Deferred revenue	(\$169,956)	(\$812,782)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$260,435	(\$3,392,076)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$1,360,400)	(\$12,237,626)
Equipment	(\$388,668)	(\$757,621)
Vehicles	\$0	(\$22,796)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$1,749,068)	(\$13,018,043)
C. FINANCING ACTIVITIES		
Capital allocations received	\$208,171	\$6,266,344
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$1,197,372)	(\$1,243,968)
Add back: supported portion	\$1,197,372	\$1,243,968
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$208,171	\$6,266,344
Net sources (uses) of cash equivalents* during year	(\$1,280,462)	(\$10,143,775)
Cash Equivalents at the beginning of the year	\$8,770,560	\$18,914,335
Cash Equivalents at the end of the year	\$7,490,098	\$8,770,560

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (Column 5 to 14)	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS								(13) Unrestricted Operating Reserves	(14) Unrestricted Capital Reserves
					(6) School Based		(7) Infrastructure		(8) Board & System Admin		(9) Transportation			
					(10) Unrestricted Operating Reserves	(11) Unrestricted Capital Reserves	(12) Unrestricted O & M Operating Reserves	(13) Unrestricted Capital Reserves	(14) Unrestricted Operating Reserves	(15) Unrestricted Capital Reserves	(16) Unrestricted Operating Reserves	(17) Unrestricted Capital Reserves		
Balance at August 31, 2003	\$6,553,680	\$2,755,350	\$629,863	\$3,168,477	\$2,407,668	\$42,336	\$279,003	\$43,156	\$247,429	\$63,846	\$45,036	\$0	\$0	
Prior period adjustments (over/under)														
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$6,553,680	\$2,755,350	\$629,863	\$3,168,477	\$2,407,668	\$42,336	\$279,003	\$43,156	\$247,429	\$63,846	\$45,036	\$0	\$0	
Surplus/def. of revenue over expenses	\$405,403		\$405,403											
Board funded capital transactions		\$152,899	(\$152,899)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0												
Amortization of capital assets		(\$1,774,325)	\$1,774,325											
Amortization of capital allocations		\$1,628,260	(\$1,628,260)											
Disposal of unrestricted capital assets	\$0	\$0	\$0	\$0		\$0		\$0		\$0	\$0	\$0	\$0	
Disposal of supported capital assets-unrestricted portion	\$0	\$0	\$0	\$0		\$0		\$0		\$0	\$0	\$0	\$0	
Debt principal payments (unrestricted)		\$0	\$0	\$0										
Net transfers to operating reserves			(\$511,195)	\$511,195	\$0		\$236,842		\$93,901		\$180,452		\$0	
Net transfers from operating reserves			\$49,413	(\$49,413)			\$0		\$0		\$0		\$0	
Net transfers to capital reserves			(\$136,827)	\$136,827		\$87,931		\$36,369		\$12,527		\$0	\$0	
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0	\$0	
Balance at August 31, 2004	\$6,950,093	\$2,762,184	\$429,823	\$3,787,086	\$2,358,255	\$170,270	\$515,845	\$79,525	\$341,330	\$76,373	\$275,483	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$4,209,145	\$26,774,156
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$296,322	
Other Government of Alberta	(\$118,819)	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$30,668	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$1,197,372
Expended capital allocations - current year	(\$1,596,169)	\$1,596,169
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,628,260
Balance at August 31, 2004	\$2,821,147	\$27,939,437

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2004

1. AUTHORITY AND PURPOSE

The School District delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002.

The School District receives block allocations for instruction and support under Regulation 72/95. The Regulation limits funding and expenses for administration. It permits the School District within specified limits, to reallocate funding between the instruction and support blocks.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital asset acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

b) Inventory

Inventory is recorded as the lesser of cost and net realizable value.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Capital Assets

Capital assets are recorded at cost. Only assets with an original cost of \$5,000 or over are capitalized. No amortization is taken in the year of acquisition. Amortization of the cost is calculated over estimated useful lives on a straight line basis at the following rates:

Buildings	40 years
Equipment	3 - 5 years
Vehicles	5 - 10 years

d) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

e) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

f) Contributed Services

Volunteers assist schools operated by the School District in carrying out certain activities. Because of the difficulty of determining their fair value and of the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

g) Pensions

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, Lethbridge School District No. 51 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$502,181 for the Year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported a deficit of \$ 1.41 billion (deficit of \$445 million - 2002).

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 44 of the School Act and Section 5 of the Trustees Act.

i) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

j) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

k) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

3. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Current		
Province of Alberta	\$ 2,851,266	\$ 4,511,565
Federal Government	250,679	520,880
Other	511,265	474,699
Total Current	<u>\$ 3,613,210</u>	<u>\$ 5,507,144</u>
Long Term	<u>\$ 0</u>	<u>\$ 27,006</u>

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$500,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing resolution and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2004

5. ACCOUNTS PAYABLE AND LIABILITIES

	2004	2003
Province of Alberta	\$ 518,802	\$ 589,254
Federal Government	646,079	712,882
Other	2,222,450	4,221,995
Total	<u>\$ 3,387,331</u>	<u>\$ 5,524,131</u>

6. DEFERRED REVENUE

	2004	2003
Modernization and BQRP funding	\$ 798,190	\$ 822,742
Alberta Infrastructure One Time Grant	0	186,729
Other	185,981	144,656
	<u>\$ 984,171</u>	<u>\$ 1,154,127</u>

7. LONG TERM DEBT

Debentures

	2004	2003
Alberta Capital Finance Authority debenture debt, at interest rates from 8% to 12%, with various due dates. Security is represented by School Buildings held by the District	\$ 8,815,673	\$ 10,013,045
Due within one year	(1,164,085)	(1,230,648)
	<u>\$ 7,651,588</u>	<u>\$ 8,782,397</u>

Principal payments required within each of the next five fiscal years are as follows:

2005	\$ 1,164,085
2006	1,072,645
2007	982,958
2008	910,630
2009	877,433
Thereafter	<u>2,643,836</u>
	<u>\$ 7,651,587</u>

8. DEFERRED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the School District have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded.

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS

August 31, 2004

9. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in capital assets (other than land and equipment) purchased prior to September 1, 2001. The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account.

10. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenses. The amounts are established and expended in accordance with terms and conditions established by the Board.

	Balance at Beginning of Year	Accumulated (Appropriated) during the year	Balance at End of Year
Operating			
School	\$ 2,407,668	\$ (49,413)	\$ 2,358,255
Plant Operations and Maintenance	279,003	236,842	515,845
System administration	247,429	93,901	341,330
Transportation	45,036	180,452	225,488
	<u>\$ 2,979,136</u>	<u>\$ 461,782</u>	<u>\$ 3,440,918</u>
Capital			
School Based	\$ 82,339	\$ 87,931	\$ 170,270
Plant Operations and Maintenance	43,156	36,369	79,525
System Administration	63,846	12,527	76,373
	<u>\$ 189,341</u>	<u>\$ 136,827</u>	<u>\$ 326,168</u>

LETHBRIDGE SCHOOL DISTRICT NO. 51

NOTES TO FINANCIAL STATEMENTS August 31, 2004

11. CONTINGENCIES

- a) The School District is a member of the Urban Schools Insurance Consortium. Under the terms of membership, the District could become liable for its proportionate share of any claim losses in excess of the funds held by exchange. The District's share of the pool at year end is \$271,764 (2003 - \$206,855).
- b) The School District is named in a legal action regarding the injury of a student. The action is currently being handled by the District's Insurance provider.
- c) The School District is named in a legal action regarding a human rights complaint involving an employee and the employee's child. This action is currently being handled by the District's Insurance provider.

12. ECONOMIC DEPENDENCE ON RELATED THIRD PARTY

Lethbridge School District 51's primary source of income is from the Alberta Government. The District's ability to continue viable operations is dependent on this funding.

13. BUDGET AMOUNTS

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 10, 2003. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$42,003,816	\$2,238,868	\$38,865,828						
(2) Support block	\$3,315,258				\$1,388,078			\$1,927,180	
(3) Instruction & support block reallocations	\$0				\$0			(\$27,960)	
(4) Alberta Initiative for School Improvement (AIS)	\$908,680		\$908,680						
(5) Student Health Initiative (SHI)	\$311,070	\$0	\$311,070						
(6) SuperNet Access	\$0		\$0					\$0	
(7) Teacher Salary Enhancement (TSE)	\$1,749,004	\$22,170	\$1,771,174					\$15,000	
(8) Regional P.D. Consortium (6 boards only)	\$0							\$0	
(9) Regional Assessment Services (4 boards only)	\$0							\$0	
(10) Other Alberta Learning revenues	\$953,592	\$0	\$953,592		\$0			\$0	
(11) Total Alberta Learning Revenue	\$40,329,420	\$1,932,158	\$44,094,594		\$1,388,078			\$1,914,160	
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$938,353			\$938,353					
(13) Operations & Maintenance support	\$5,281,723			\$5,281,723					
(14) Operations & Maintenance support (One-Time)	\$186,729			\$186,729					
(15) Total Alberta Infrastructure Revenue	\$6,366,805			\$6,366,805					
(16) Alberta Finance	\$1,036,917			\$1,036,917					
(17) Other - Government of Alberta	\$473,045	\$0	\$473,045		\$0			\$0	
(18) Federal Government and/or First Nations	\$253,971	\$0	\$253,971		\$0			\$10,159	
(19) Other Alberta school authorities	\$0	\$0	\$0		\$0			\$0	
(20) Out of province authorities	\$0	\$0	\$0		\$0			\$0	
(21) Alberta municipalities	\$0	\$0	\$0		\$0			\$0	
(22) Instruction resource fees	\$444,848	\$0	\$444,848						
(23) Transportation fees	\$0	\$0	\$0		\$0			\$784	
(24) Other sales and services	\$501,081	\$0	\$501,081		\$0			\$10,683	
(25) Investment income	\$212,305	\$0	\$212,305		\$22,758			\$0	
(26) Gifts and donations	\$0	\$0	\$0		\$0			\$0	
(27) Rentals of facilities	\$22,100	\$0	\$22,100		\$14,300			\$884	
(28) Net school generated funds	\$1,097,646	\$0	\$1,097,646		\$0			\$0	
(29) Gains on disposal of capital assets	\$0	\$0	\$0		\$0			\$0	
(30) Amortization of capital allocations	\$1,628,260	\$0	\$1,628,260		\$1,628,260			\$0	
(31) TOTAL REVENUES	\$61,380,496	\$1,932,158	\$47,040,522	\$9,089,040	\$1,388,078			\$1,938,700	\$0
EXPENSES									
(32) Certificated salaries	\$30,181,008	\$816,784	\$28,364,224					\$391,584	\$0
(33) Certificated benefits	\$3,703,468	\$116,684	\$3,586,784					\$48,948	\$0
(34) Uncertificated salaries and wages	\$11,278,273	\$722,513	\$10,555,760	\$2,353,851	\$125,914	\$62,972		\$14,948	\$0
(35) Uncertificated benefits	\$2,098,474	\$203,726	\$1,894,748	\$501,509	\$13,354	\$1,655		\$251,081	\$0
(36) SUB - TOTAL	\$47,839,221	\$1,859,707	\$45,979,514	\$2,915,220	\$139,268	\$64,628		\$1,438,883	\$0
(37) Services, contracts & supplies	\$9,232,988	\$198,621	\$9,034,367	\$3,294,704	\$988,359	\$80,529		\$389,592	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	(\$100,000)	\$100,000	\$0		(\$53,770)	\$0
(39) Net school generated funds	\$1,097,646	\$0	\$1,097,646	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,628,260	\$0	\$1,628,260	\$1,628,260				\$0	\$0
(41) Unsupported	\$146,005	\$0	\$146,005	\$0	\$0	\$0		\$14,732	\$0
(42) Total Amortization	\$1,774,265	\$0	\$1,774,265	\$1,628,260	\$0	\$0		\$14,732	\$0
Interest on capital debt									
(43) Supported	\$1,036,917	\$0	\$1,036,917	\$1,036,917				\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(47) TOTAL EXPENSES	\$60,981,095	\$2,058,328	\$48,922,767	\$8,875,953	\$1,207,628	\$145,137		\$1,688,908	\$1,834,985
(48) Surplus/(deficit) before unrestricted revenues used for capital purposes	\$465,403	(\$128,170)	\$593,573	\$283,087	\$180,452			\$102,835	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$24,562,556	\$1,218,713	\$761,111	\$1,752,805	\$0	\$518,826	\$138,627
Certificated benefits	\$2,701,881	\$174,102	\$327,880	\$254,568	\$0	\$59,847	\$19,558
Uncertificated salaries and wages	\$1,386,614	\$2,024,117	\$103,149	\$385,453	\$3,038,032	\$205,912	\$119,001
Uncertificated benefits	\$255,577	\$416,020	\$27,850	\$128,484	\$777,070	\$36,006	\$27,757
SUB - TOTAL REMUNERATION	\$28,906,628	\$3,832,952	\$1,219,990	\$2,521,310	\$3,815,102	\$820,591	\$304,943
Services, contracts & supplies	\$3,672,811	\$250,701	\$337,848	\$13,383	\$40,879	\$86,089	\$0
Cost recoveries & transfers	\$47,643	\$0	\$0	\$0	\$0	\$0	\$6,127
Net school generated funds	\$1,097,846						\$53,770
Amortization of capital assets							\$1,097,846
Supported	\$0	\$0	\$0				\$0
Unupported	\$80,481	\$0	\$0				\$0
Total Amortization	\$80,481	\$0	\$0				\$80,481
Interest on capital debt							
Supported	\$0	\$0	\$0				\$0
Unupported	\$0	\$0	\$0				\$0
Other interest charges							\$0
Losses on disposal of capital assets	\$0	\$0	\$0				\$0
TOTAL EXPENSES	\$33,805,209	\$4,083,653	\$1,557,838	\$2,534,693	\$3,855,981	\$906,680	\$311,070
FTE Certificated				28.6	0.0		
FTE Uncertificated				17.2	114.2		

SCHEDULE C to the AFS

INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	TOTAL REVENUE	INSTRUCTION BLOCK REALLOCATION	NON-ALBERTA LEARNING REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION						
Basic Instruction										
School Admin & Instruction Support Expenses	\$34,174,461	\$3,428,472	\$2,500,580	\$357,990	\$40,461,503	\$33,723,585	\$6,737,918			(\$4,083,653)
System Instruction Support Expenses						\$1,557,838	(\$1,557,838)			
Total Basic Instruction	\$34,174,461	\$3,428,472	\$2,500,580	\$357,990	\$40,461,503	\$39,365,076	\$1,096,427			
Sub-Programs & Initiatives										
Severely Disabled	\$3,217,414	\$163,000	\$0		\$3,380,414	\$3,855,981	(\$475,567)			
English as a Second Language	\$113,343				\$113,343	\$113,918	(\$575)			
Enhanced Opportunities	\$92,819				\$92,819	\$92,819	\$0			
First Nations, Metis, and Inuit Education	\$157,129		\$0		\$157,129	\$184,466	(\$27,337)			
Institutional Programs	\$657,353				\$657,353	\$657,353	\$0			
Sparsity & Distance	\$0				\$0	\$0	\$0			
Growth & Density	\$506,486				\$506,486		\$506,486			
Teacher Assistants Program	\$148,169				\$148,169	\$148,169	\$0			
Early Literacy Initiative (K-2)	\$277,911				\$277,911	\$370,685	(\$92,774)			
Learning Resources Credit & Resources for the Classroom	\$80,270	\$291,704	\$444,948		\$816,922	\$954,964	(\$138,042)			
Technology Integration	\$334,312		\$0		\$334,312	\$1,197,647	(\$863,335)			
French Language Program & Francisation (all jurisdictions)	\$48,481		\$0		\$48,481	\$88,970	(\$40,489)			
Home Education	\$45,680		\$0		\$45,680	\$25,076	\$20,604			
Total Sub-Programs & Initiatives	\$5,679,367		\$444,948		\$6,579,019	\$7,690,048	(\$1,111,029)			
INSTRUCTION, GRADES 1-12	\$39,853,828	\$3,863,176	\$2,945,528	\$357,990	\$47,040,522	\$47,055,124	(\$14,602)			

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$41,759,504
Support Block - Transportation	\$1,388,078
SUBTOTAL	\$43,147,582
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$5,261,723
Teacher Salary Enhancement	\$1,749,004
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$473,045
Federal government/First Nations	\$253,971
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$501,081
Interest on investments	\$212,305
Rentals of facilities	\$22,100
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$1,628,260
School generated funds (Schedule E)	\$1,590,582
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$54,839,653
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$2,193,586
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0 \$0
If Francophone Board, enter 400,000	0 \$0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$2,193,586
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,834,065
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$93,901
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,927,966
Maximum Expense Limit for Board & System Administration (Step 3)	\$2,193,586
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$265,620

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$789,007
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,590,582	
Less: SGF - related cost recoveries (Note 3)	\$503,881	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$1,086,701	
Plus: Donations Received (Note 5)	\$66,061	
Equals: Net Additions to SGF		\$1,152,762
Net SGF Available for discretionary spending		\$1,941,769
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$1,097,646
Unexpended SGF - Closing Balance August 31, 2004		\$844,123
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,989,979	\$246,835	\$0	\$0	\$116,837	\$2,353,651		\$2,353,651
Uncertificated benefits	\$477,333	\$58,383	\$0	\$0	\$24,853	\$561,569		\$561,569
Sub-total Remuneration	\$2,467,312	\$306,218	\$0	\$0	\$141,690	\$2,915,220		\$2,915,220
Contracted Services	\$1,007	\$312,555	\$0	\$1,027,172	\$0	\$1,340,734		\$1,340,734
Supplies	\$128,787	\$257,039	\$0	\$0	\$0	\$385,826		\$385,826
Electricity			\$851,512			\$851,512		\$851,512
Natural Gas/Heating Fuel			\$447,479			\$447,479		\$447,479
Sewer and Water			\$136,594			\$136,594		\$136,594
Telecommunications			\$30,043			\$30,043		\$30,043
Insurance					\$102,516	\$102,516		\$102,516
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets							\$1,628,280	\$1,628,280
Supported								
Unsuported						\$50,852		\$50,852
Total Amortization						\$50,852	\$1,628,280	\$1,679,132
Interest on capital debt								
Supported							\$1,036,917	\$1,036,917
Unsuported				\$0		\$0		\$0
Other interest charges						\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers								
TOTAL EXPENSES	\$2,597,106	\$875,812	\$1,465,628	\$1,027,172	\$244,206	\$6,160,776	\$2,665,177	\$8,825,953
SQUARE METRES								
School Buildings								100,976.6
Non School Buildings								3,247.4
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	9.4	53.0						
Contracted Services	0.0	0.0						

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BORP), and portable relocations), administration of joint use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
 (SECTION 148.1 OF THE SCHOOL ACT)

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name Gary Bartlett	1.0	\$12,437	\$113	\$0	\$0		\$12,550	\$6,037
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members								
Name Patricia Aitchison	1.0	\$10,952	\$279	\$0			\$11,231	\$7,351
Name Maureen Calder	1.0	\$10,020	\$261	\$0			\$10,281	\$1,869
Name Mitch Forster	1.0	\$10,410	\$489	\$0			\$10,899	\$981
Name Dwayne King	1.0	\$9,284	\$251	\$0			\$9,535	\$766
Name Rodney Fong	1.0	\$9,869	\$263	\$0			\$10,132	\$2,087
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	6.0	\$62,972	\$1,656	\$0			\$64,628	\$19,091
Superintendent Ms Cleves								
Superintendent	1.0	\$133,500	\$7,118	\$3,900	\$0	\$0	\$144,518	\$8,796
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Don Lusser	1.0	\$114,000	\$16,715	\$3,900	\$0	\$0	\$134,615	\$4,631
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	439.6	\$30,001,837	\$3,696,350	\$21,769	\$0	\$0	\$33,719,956	
Uncertificated Salaries & Wages	348.5	\$11,057,784	\$2,680,103	\$37,637	\$0	\$0	\$13,775,504	
TOTALS		\$41,376,073	\$6,401,942	\$67,243	\$0	\$0	\$47,839,258	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
(School Act, Sections 147(2)(a), 148, 151(1) and 276)

Living Waters Catholic Regional Division No. 42

Legal Name of School Jurisdiction

Box 1949 - 4204 Kepler Street Whitecourt, AB T7S 1P6

Mailing Address

Phone (780) 778-5666 FAX (790) 778-2727

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Living Waters Catholic Regional Division No. 42

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Camille Joly

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Carol Lemay

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Nieta World

Name

"ORIGINAL SIGNED"

Signature

29-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 18155-162 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jamry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6886

Ferguson Horne

CHARTERED ACCOUNTANTS

* KENNETH R. FERGUSON, B.COMM., C.A.
* GEORGE A. HORNE, B.COMM., C.A.

4920 - 51 Ave.,
Box 569,
Whitecourt, Alberta
T7S 1N6
Telephone: (780) 778-3981
Fax: (780) 778-6226

AUDITORS' REPORT

To the Board of Trustees of
Living Waters Catholic Regional Division No. 42

We have audited the statement of financial position of the Living Waters Catholic Regional Division No. 42 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and deferred capital allocation for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and deferred capital allocations for the year then ended in accordance with generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Whitecourt, Alberta
November 3, 2004

Ferguson Horne
CHARTERED ACCOUNTANTS

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003 Restated
ASSETS		
Current assets		
Cash and temporary investments	\$6,519,707	\$5,779,587
Accounts receivable (net after allowances)	\$1,082,188	\$702,281
Prepaid expenses	\$143,613	\$83,108
Other current assets	\$144	\$144
Total current assets	\$7,745,652	\$6,565,119
School generated assets	\$349,241	\$284,036
Trust assets	\$45,325	\$36,881
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$809,218	\$809,218
Buildings	\$35,927,196	
Less: accumulated amortization	(\$16,486,653)	\$16,692,489
Equipment	\$3,308,429	
Less: accumulated amortization	(\$3,129,421)	\$134,180
Vehicles	\$12,305	
Less: accumulated amortization	(\$2,461)	\$12,305
Total capital assets	\$20,438,614	\$17,648,192
TOTAL ASSETS	\$28,578,831	\$24,534,229
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$2,424,857	\$1,021,716
Deferred revenue	\$643,193	\$773,673
Deferred capital allocations	\$2,629,646	\$2,430,103
Current portion of all long term debt	\$619,730	\$561,443
Total current liabilities	\$6,317,427	\$4,786,934
School generated liabilities	\$349,241	\$284,036
Trust liabilities	\$45,325	\$36,881
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$4,776,044	\$5,436,606
Less: Current portion of supported debt	(\$619,730)	(\$561,443)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$13,608,852	\$10,200,235
Total long term liabilities	\$18,159,733	\$15,396,315
TOTAL LIABILITIES	\$24,477,159	\$20,183,250
NET ASSETS		
Unrestricted net assets	\$322,877	\$311,676
Operating Reserves	\$1,594,487	\$1,897,363
Accumulated Operating Surplus (Deficit)	\$1,917,364	\$2,209,038
Investment in capital assets	\$2,053,719	\$2,011,351
Capital Reserves	\$130,590	\$130,590
Total Capital Funds	\$2,184,309	\$2,141,941
Total net assets	\$4,101,673	\$4,350,980
TOTAL LIABILITIES AND NET ASSETS	\$28,578,833	\$24,534,229

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$14,189,314	\$13,667,622	\$13,484,077
Alberta Infrastructure	\$1,928,290	\$1,528,542	\$1,457,888
Alberta Finance	\$545,815	\$542,896	\$536,699
Other Government of Alberta	\$30,786	\$0	\$3,618
Federal Government and/or First Nations	\$20,539	\$0	\$17,125
Other Alberta school authorities	\$0	\$0	\$3,057
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$3,616
Instruction resource fees	\$30,182	\$22,000	\$15,404
Transportation fees	\$7,645	\$8,000	\$10,285
Other sales and services	\$15,994	\$0	\$1,810
Investment income	\$89,066	\$50,000	\$103,530
Gifts and donations	\$0	\$0	\$12,305
Rentals of facilities	\$75	\$0	\$31,183
Net school generated funds	\$431,500	\$135,000	\$349,695
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,108,385	\$651,717	\$1,748,855
Total Revenues	\$18,397,589	\$16,605,777	\$17,779,146
EXPENSES			
Certificated salaries	\$8,590,149	\$8,068,080	\$8,025,625
Certificated benefits	\$1,020,996	\$968,170	\$1,008,840
Uncertificated salaries and wages	\$2,731,775	\$2,300,688	\$2,545,276
Uncertificated benefits	\$554,240	\$575,172	\$532,727
Services, contracts and supplies	\$3,611,691	\$3,324,237	\$3,063,210
Net school generated funds	\$431,500	\$135,000	\$349,695
Capital and debt services			
Amortization of capital assets			
Supported	\$1,108,385	\$651,717	\$633,034
Unsupported	\$44,356	\$39,817	\$39,817
Total Amortization of capital assets	\$1,152,741	\$691,534	\$672,851
Interest on capital debt			
Supported	\$553,803	\$542,896	\$542,896
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$553,803	\$542,896	\$542,896
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$1,115,821
Total Expenses	\$18,646,895	\$16,605,777	\$17,856,940
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	(\$249,306)	\$0	(\$77,794)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$249,306)	\$0	(\$77,794)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$249,306)	(\$77,794)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,108,385)	(\$1,748,855)
Total amortization expense	\$1,152,741	\$672,851
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$1,115,821
Changes in accrued accounts:		
Accounts receivable	(\$379,907)	(\$84,290)
Prepays and other current assets	(\$60,505)	(\$15,514)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$1,403,142	\$188,210
Deferred revenue	(\$130,480)	\$187,055
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$627,299	\$237,484
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$3,856,439)	(\$3,488,051)
Equipment	(\$86,724)	(\$44,904)
Vehicles	\$0	(\$12,305)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$3,943,163)	(\$3,545,260)
C. FINANCING ACTIVITIES		
Capital allocations received	\$4,055,983	\$153,180
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$660,562)	(\$567,640)
Add back: supported portion	\$660,563	\$567,640
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$4,055,984	\$153,180
Net sources (uses) of cash equivalents* during year	\$740,120	(\$3,154,597)
Cash Equivalents at the beginning of the year	\$5,779,587	\$8,934,184
Cash Equivalents at the end of the year	\$6,519,707	\$5,779,587

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS								(11) Transportation Unsuppoted Operating Reserves	(12) Unsuppoted Capital Reserves	(13) Unsuppoted Operating Reserves	(14) Unsuppoted Capital Reserves
					(5) School Based		(6) Infrastructure		(7) Board & System Admin		(8) Unsuppoted Operating Reserves					
					Unsuppoted Operating Reserves	Unsuppoted Capital Reserves	Unsuppoted O & M Operating Reserves	Unsuppoted Capitla Reserves	Unsuppoted Operating Reserves	Unsuppoted Capital Reserves	Unsuppoted Operating Reserves	Unsuppoted Capital Reserves				
Balance at August 31, 2003	\$4,124,523	\$2,011,351	\$311,676	\$1,801,496	\$924,653	\$0	\$551,626	\$0	\$171,090	\$130,590	\$23,537	\$0	\$0	\$0	\$0	
Prior period adjustments (describe)																
Accounts Payable set up 2 yrs ago overstated	\$226,457	\$0	\$0	\$226,457	\$226,457	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$4,350,980	\$2,011,351	\$311,676	\$2,027,953	\$1,151,110	\$0	\$551,626	\$0	\$171,090	\$130,590	\$23,537	\$0	\$0	\$0	\$0	
Surplus(def) of revenue over expenses	(\$249,306)		(\$249,306)													
Board funded capital transactions		\$86,724	(\$86,724)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		(\$1,152,741)	\$1,152,741													
Amortization of capital allocations		\$1,108,385	(\$1,108,385)													
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0		\$0	\$0										
Debt principal payments (unsupported)		\$0	\$0						\$12,301		\$0		\$0			
Net transfers to operating reserves			\$197,027	(\$197,027)	(\$201,340)		(\$7,988)									
Net transfers from operating reserves			\$105,849	(\$105,849)	(\$86,724)		\$0		\$0		(\$19,125)		\$0		\$0	
Net transfers to capital reserves			\$0	\$0		\$0		\$0		\$0			\$0		\$0	
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0			\$0		\$0	
Balance at August 31, 2004	\$4,101,673	\$2,053,719	\$322,877	\$1,725,077	\$663,046	\$0	\$543,638	\$0	\$183,391	\$130,590	\$4,412	\$0	\$0	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$2,430,103	\$10,200,235
Add:		
Capital allocations from:		
AB Infrastructure - New/Modernization Projects	\$3,987,046	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$68,937	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$660,563
Expended capital allocations - current year	(\$3,856,439)	\$3,856,439
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,108,385
Balance at August 31, 2004	\$2,629,646	\$13,608,852

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

AUTHORITY AND PURPOSE

The School Jurisdiction delivers education programs under the authority of the *School Act*, Chapter S-3, Statutes of Alberta, January 1, 2002.

The jurisdiction receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the jurisdiction, within specified limits, to reallocate funding between the instruction and support blocks.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds, which are to be retained as net assets, are recorded as direct increases in trust assets and liabilities.

b) Capital Assets

Capital Assets are reflected in the accounts at cost, and are amortized over their estimated useful lives on a straight-line basis, at the following rates:

Building (masonry construction)	25 years
Building (frame construction)	40 years
Vehicles	5 years
Equipment	5 years

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

d) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Living Waters Catholic Regional Division No. 42 does not make pension contributions for certificated staff.

e) Prepaid Expenses

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

f) Contributed Services

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

g) Financial Instruments

The jurisdiction's financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 44 of the *School Act* and Section 5 of the *Trustees Act*.

h) Operating and Capital Reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

i) Employee Future Benefits

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000-2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

2. ACCOUNTS RECEIVABLES

	<u>2004</u>	<u>2003</u>
Province of Alberta	\$448,690	\$210,299
Federal Government	235,705	84,915
Alberta Municipalities	285,244	269,793
Other Alberta school jurisdictions	0	0
Other	<u>112,549</u>	<u>137,274</u>
Total	<u>\$1,082,188</u>	<u>\$702,281</u>

3. INTERNALLY RESTRICTED NET ASSETS

Net assets may be restricted by authorization of the Board of Trustees for future capital expenditures and future operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the board.

<u>Operating Reserves</u>	<u>2003</u>	<u>Appropriated</u>	<u>Used</u>	<u>2004</u>
School	1,151,110.00	-	288,064.00	863,046.00
Operations & Maintenance	551,626.00	-	7,988.00	543,638.00
Board & System Admin.	171,090.00	12,301.00	-	183,391.00
Transportation	23,537.00	-	19,125.00	4,412.00
External Services	-	-	-	-
Total	<u>1,897,363.00</u>	<u>12,301.00</u>	<u>315,177.00</u>	<u>1,594,487.00</u>
<u>Capital Reserves</u>	<u>2003</u>	<u>Appropriated</u>	<u>Used</u>	<u>2004</u>
Land-Supported	-	-	-	-
Land-Unsupported	-	-	-	-
Building-Supported	-	-	-	-
Building-Unsupported	-	-	-	-
Equipment	130,590.00	-	-	130,590.00
Vehicles	-	-	-	-
Total	<u>130,590.00</u>	<u>\$0</u>	<u>-</u>	<u>\$130,590.00</u>

4. CAPITAL ASSETS

Asset	Cost	Accumulated Amortization	Net Book Value	
			2004	2003
Land	\$ 809,218	\$ -	\$ 809,218	\$ 809,218
Buildings	35,927,196	16,486,653	19,440,543	16,692,489
Vehicles	12,305	2,461	9,844	12,305
Equipment	3,308,429	3,129,421	179,008	134,180
Total	\$ 40,057,148	\$ 19,618,535	\$ 20,438,614	\$ 17,648,192

5. ACCOUNTS PAYABLE AND LIABILITIES

	2004	2003
Province of Alberta	\$ 288,077	\$ 318,124
Federal Government	-	-
Alberta Municipalities	247,587	238,147
Other Alberta School Jurisdictions	-	989
Other Trade Payables and Accrued Liabilities	1,889,193	464,456
Total	\$ 2,424,857	\$ 1,021,716

6. DEFERRED REVENUE

	2004	2003
Technology Integration Funding	\$ 89,881	\$ 87,731
Block Modernization	22,845	22,845
IMP/BQRP	57,544	151,157
One Time Grant	0	0
Plant Operations & Maintenance	394,633	485,074
Other	78,290	26,866
Total	\$ 643,193	\$ 773,673

7. ALLOCATIONS FROM PROVINCE OF ALBERTA (Related Third Party Transactions)

	2004 Actual	2004 Budget	2003 Actual
Alberta Learning	\$ 14,189,314	\$ 13,667,622	\$ 13,484,077
Alberta Infrastructure	1,928,290	1,528,542	1,457,888
Alberta Finance	545,815	542,896	536,699
Other Government of Alberta	30,786	-	3,618
Total	\$ 16,694,205	\$ 15,739,060	\$ 15,482,282

8. OTHER INCOME

	2004 Actual	2004 Budget	2003 Actual
Transportation Fees	\$ 7,645	\$ 8,000	\$ 10,285
Other Sales & Services	15,994	-	1,810
Investment Income	89,066	50,000	103,530
Rental of Facilities	75	-	31,183
Gifts & Donations	-	-	12,305
Total	\$ 112,780	\$ 58,000	\$ 159,113

9. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

	2004	2003
Deferred Salary Leave Plan	\$ 37,693	\$ 29,423
Scholarship Trusts	7,632	7,458
Total	\$ 45,325	\$ 36,881

10. LONG TERM DEBT

a) Debenture Debt – Supported

The debenture debt bears interest at rates varying between 6% and 12%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists entirely of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2004-2005	610,384	485,007	1,095,391
2005-2006	606,517	419,458	1,025,975
2006-2007	606,517	354,391	960,908
2007-2008	533,517	289,143	822,660
2008 to maturity	2,407,073	1,096,897	3,503,970
Total	\$ 4,764,008	\$ 2,644,896	\$ 7,408,904

b) Capital Loan Debt - Supported

Aug. 31, 2004

Aug. 31, 2003

Alberta Treasury Branches Bi-monthly payments
Of \$790 including interest at prime. Secured by
Borrowing resolution Supported by Alberta Finance
With interest rate being calculated at 4.50%, to mature
March 2005.

12,035

30,813

Due beyond August 31st, 2004

12,035

c) Operating Leases – Unsupported

The following is a schedule of the future minimum lease payments including G.S.T. under an operating lease expiring August, 2007 with .

For the lease period ending August 31 st , 2005	21,259
For the lease period ending August 31 st , 2006	21,259
For the lease period ending August 31 st , 2007	<u>21,259</u>

Less: Refundable portion of G.S.T. (2,837)

\$ 60,940

11. DEFERRED CAPITAL ALLOCATIONS

Capital allocations received for qualifying capital projects initiated by the jurisdiction have been capitalized. These allocations are amortized on a basis consistent with the capital asset that the allocation funded. Details of the changes in the deferred capital allocations account are as follows:

	2004	2003
Balance, Beginning of Year	\$ 2,430,103	\$ 5,764,974
Allocations received & Receivable During the Year	4,055,983	153,180
Transfers to Unamortized Capital Allocations (note 12)	(3,856,439)	(3,488,051)
Balance, End of Year	\$ 2,629,646	\$ 2,430,102

12. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations (UCA) represents the jurisdiction's net investment in capital assets (other than land and equipment) purchased prior to September 1, 1995. The total debenture payments increase the balance in the UCA account, with the amortization expense on related assets acting as a deduction to the account. Transfers from the deferred capital allocation account also increase the balance in the UCA account. Details of the changes to the account are as follows:

	2004	2003
Balance, Beginning of Year	\$ 10,200,235	\$ 5,308,587
Transferred in Capital Assets	-	2,584,812
Additions: supported debenture Principal Repayments	660,563	567,640
Transfer from Deferred Capital Allocations (note 11)	3,856,439	3,488,051
Deductions: capital allocation revenue	(1,108,385)	(1,748,855)
Balance, End of Year	\$13,608,852	\$ 10,200,235

13. SCHOOL GENERATED FUNDS

	2004	2003
Balance, Beginning of Year	\$ 284,036	\$ 272,052
SGF for the Year	670,713	584,967
Less: Cost of generating funds	(221,282)	(289,517)
Donations Received	47,274	66,230
Net SGF Available for the Year	780,741	633,732
Less: Net SGF Expended for the Year	(431,500)	(349,695)
Balance, End of Year	\$ 349,241	\$ 284,036

14. CONTINGENCIES

Contingent Asset

The jurisdiction is a member of a reciprocal insurance exchange called ASBIE. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

15. COMMITMENTS

a) Building Projects

The jurisdiction is committed to further capital expenditures for the modernizations of three schools of approximately \$6,000,000. It is anticipated that these costs will be fully funded by the capital allocations from Alberta Infrastructure.

16. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

17. COMPARATIVE FIGURES

The Budget 2004 and Actual 2003 comparative figures have been reclassified where necessary to conform to Actual 2004 presentation.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Total Board & System Admin	
Alberta Learning allocations									
(1) Instruction block	\$12,050,072	\$618,985	\$11,431,088						
(2) Support block	\$1,157,104	\$0	\$0		\$325,908			\$325,908	
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	
(4) Alberta Initiative for School Improvement (AISi)	\$259,773	\$27,417	\$232,356		\$0			\$0	
(5) Student Health Initiative (SHi)	\$12,870	\$0	\$12,870					\$0	
(6) SuperNet Access	\$0	\$0	\$0					\$0	
(7) Teacher Salary Enhancement (TSE)	\$498,000	\$18,454	\$480,000					\$0	
(8) Regional P D Consortium (6 boards only)	\$0	\$0	\$0					\$12,645	\$0
(9) Regional Assessment Services (4 boards only)	\$209,894	\$11,625	\$198,269		\$0			\$0	\$0
(10) Other Alberta Learning revenues	\$14,180,314	\$677,401	\$13,502,913		\$0			\$0	\$0
(11) Total Alberta Learning Revenue								\$12,645	\$0
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$225,681								
(13) Operations & Maintenance support	\$1,702,609			\$225,681					
(14) Operations & Maintenance support (One-Time)	\$0			\$1,702,609					
(15) Total Alberta Infrastructure Revenue								\$0	
Alberta Finance									
(16) Other - Government of Alberta	\$1,928,293			\$1,928,293					
(17) Federal Government and/or First Nations	\$545,815			\$545,815					
(18) Other Alberta school authorities	\$30,786	\$0	\$0	\$30,786					
(19) Out of province authorities	\$20,539	\$0	\$0	\$20,539					
(20) Alberta municipalities	\$0	\$0	\$0	\$0					
(21) Instruction resource fees	\$0	\$0	\$0	\$0					
(22) Transportation fees	\$30,182	\$0	\$30,182						
(23) Other sales and services	\$7,445								
(24) Investment income	\$15,004	\$12,310	\$1,905	\$1,864					
(25) Gifts and donations	\$89,066	\$45,215	\$33,149	\$33,149					
(26) Rentals of facilities	\$0	\$0	\$0	\$0					
(27) Net school generated funds	\$15	\$15	\$15	\$0					
(28) Gains on disposal of capital assets	\$431,500	\$0	\$431,500	\$0					
(29) Amortization of capital allocations	\$1,108,385	\$0	\$0	\$1,108,385					
(30) TOTAL REVENUES	\$18,397,569	\$689,801	\$17,707,768	\$3,645,089	\$343,820			\$844,280	\$0
EXPENSES									
(32) Certificated salaries	\$6,580,149	\$351,788	\$6,228,361						
(33) Certificated benefits	\$1,020,968	\$48,852	\$972,116						
(34) Uncertificated salaries and wages	\$2,731,775	\$1,860,605	\$871,170						
(35) Uncertificated benefits	\$554,240	\$41,541	\$512,699						
(36) SUB - TOTAL	\$12,897,169	\$520,787	\$12,376,382						
(37) Services, contracts & supplies	\$3,811,891	\$103,985	\$3,707,906						
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0						
(39) Net school generated funds	\$431,500	\$0	\$431,500						
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,108,385	\$0	\$0	\$1,108,385					
(41) Unsupported	\$44,396	\$0	\$0	\$44,396					
(42) Total Amortization	\$1,152,781	\$0	\$0	\$1,152,781					
Interest on capital debt									
(43) Supported	\$553,803	\$0	\$0	\$553,803					
(44) Unsupported	\$0	\$0	\$0	\$0					
(45) Other interest charges	\$0	\$0	\$0	\$0					
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0					
(47) TOTAL EXPENSES	\$18,448,995	\$724,767	\$17,724,228	\$3,656,617	\$362,626			\$832,679	\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$248,574	(\$34,966)	(\$196,392)	(\$1,011,528)	(\$19,126)			\$11,601	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)					
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled & Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement
Certificated salaries	\$6,132,004	\$653,522	\$149,855	\$283,626	\$688,075	\$191,380
Certificated benefits	\$742,732	\$63,401	\$12,005	\$36,439	\$80,571	\$26,141
Uncertificated salaries and wages	\$377,208	\$422,004	\$0	\$174,173	\$698,766	\$12,736
Uncertificated benefits	\$66,001	\$91,037	\$0	\$38,636	\$151,266	\$3,397
SUB - TOTAL REMUNERATION	\$7,337,946	\$1,229,964	\$161,861	\$532,873	\$1,618,679	\$233,654
Services, contracts & supplies	\$1,024,466	\$293,906	\$47,672	\$50,075	\$52,367	\$16,873
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$431,500	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0
Unamortized	\$36,582	\$0	\$0	\$0	\$0	\$36,582
Total Amortization	\$36,582	\$0	\$0	\$0	\$0	\$36,582
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0
Unamortized	\$0	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$9,830,493	\$1,523,869	\$209,532	\$587,949	\$1,671,045	\$250,527
FTE Certificated				3.6	8.1	
FTE Uncertificated				11.5	30.2	
						\$13,070,447

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
Basic Instruction	\$9,555,373	\$782,299	\$478,725	\$0	\$10,816,397	\$9,024,559	\$1,791,838
School Admin & Instruction Support Expenses						\$1,523,869	(\$1,523,869)
System Instruction Support Expenses						\$209,532	(\$209,532)
Total Basic Instruction	\$9,555,373	\$782,299	\$478,725	\$0	\$10,816,397	\$10,753,960	\$62,437
Sub-Programs & Initiatives							
Severely Disabled	\$1,043,951	\$85,490	\$0		\$1,129,441	\$1,671,045	(\$541,605)
English as a Second Language	\$22,816				\$22,816	\$16,242	\$6,574
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$109,937		\$0		\$109,937	\$120,302	(\$10,365)
Institutional Programs	\$0				\$0	\$0	\$0
Specialty & Distance	\$187,574				\$187,574		\$187,574
Growth & Density	\$246,696				\$246,696		\$246,696
Teacher Assistants Program	\$52,548				\$52,548	\$51,359	\$1,189
Early Literacy Initiative (K-2)	\$96,521				\$96,521	\$146,100	(\$49,579)
Learning Resources Credit & Resources for the Classroom	\$21,904	\$42,597	\$30,182		\$94,683	\$0	\$94,683
Technology Integration	\$92,625		\$0		\$92,625	\$206,564	(\$113,939)
French Language Program & Francisation (all jurisdictions)	\$0		\$20,539		\$20,539	\$100,875	(\$80,336)
Home Education	\$1,143		\$0		\$1,143	\$0	\$1,143
Total Sub-Programs & Initiatives	\$1,875,715	\$910,387	\$50,720	\$0	\$2,836,822	\$2,312,487	\$524,335
INSTRUCTION, GRADES 1-12	\$11,431,088		\$529,445		\$12,870,920	\$13,070,447	(\$199,527)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$11,957,447
Support Block - Transportation	\$335,906
SUBTOTAL	\$12,293,353
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$1,702,609
Teacher Salary Enhancement	\$499,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$30,786
Federal government/First Nations	\$20,539
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$15,994
Interest on investments	\$89,066
Rentals of facilities	\$75
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$1,108,385
School generated funds (Schedule E)	\$670,713
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$16,430,519
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.93%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$973,673
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$973,673
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$832,679
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$12,301
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$844,980
Maximum Expense Limit for Board & System Administration (Step 3)	\$973,673
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$128,693

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$284,036
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$670,713	
Less: SGF - related cost recoveries (Note 3)	\$221,282	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$449,430	
Plus: Donations Received (Note 5)	\$47,274	
Equals: Net Additions to SGF		\$496,704
Net SGF Available for discretionary spending		\$780,741
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$431,500
Unexpended SGF - Closing Balance August 31, 2004		\$349,241
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS **Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$327,091	\$174,380	\$0	\$0	\$58,592	\$560,063		\$560,063
Uncertificated benefits	\$60,475	\$32,490	\$0	\$0	\$12,680	\$105,644		\$105,644
Sub-total Remuneration	\$387,566	\$206,869	\$0	\$0	\$71,272	\$665,707		\$665,707
Contracted Services	\$17,699	\$252,200	\$0	\$225,681	\$38,981	\$534,560		\$534,560
Supplies	\$113,161	\$145,346	\$0	\$0	\$27,264	\$285,771		\$285,771
Electricity			\$235,499			\$235,499		\$235,499
Natural Gas/Heating Fuel			\$174,822			\$174,822		\$174,822
Sewer and Water			\$44,107			\$44,107		\$44,107
Telecommunications			\$7,566			\$7,566		\$7,566
Insurance					\$41,681	\$41,681		\$41,681
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported							\$1,108,385	\$1,108,385
Total Amortization						\$4,176		\$4,176
Interest on capital debt						\$4,176	\$1,108,385	\$1,112,561
Supported								
Unsupported							\$553,803	\$553,803
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$518,425	\$604,416	\$461,994	\$225,681	\$179,197	\$1,993,889	\$1,662,188	\$3,656,077
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	11.5	3.5						
Contracted Services	0.0	0.0						

Notes:

Custodial:

Maintenance:

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

All expenses related to supported capital assets amortization and interest on supported capital debt

RECHENUNG TO THE AFS

SECTION 146.1 - THE SCHOOL ACT						
	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other
Chairperson:						
Name	1.0	\$9,686	\$316	\$0		\$10,002
Carmie Joly	0.0	\$0	\$0	\$0		\$0
Other Board Members:						
Name	1.0	\$8,540	\$247	\$0		\$8,788
Emily Pagnotta - Vice Chair	1.0	\$5,372	\$124	\$0		\$5,496
Paul Chauvet	1.0	\$6,131	\$217	\$0		\$6,348
Gemma Christie	1.0	\$4,263	\$49	\$0		\$4,312
Kathleen Herndon	1.0	\$2,429	\$51	\$0		\$2,481
Gary Hoogeveen (Trustee from Aug 31/03 to Mar 31/04)	1.0	\$5,023	\$111	\$0		\$5,135
Bruce Maundier	1.0	\$6,902	\$280	\$0		\$7,182
Ron McKay	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Subtotal	8.0	\$48,347	\$1,396	\$0		\$49,744
						\$32,205
Superintendent	1.0	\$119,898	\$9,987	\$0	\$0	\$129,885
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer	1.0	\$90,935	\$15,787	\$0	\$0	\$106,722
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	142.0	\$7,816,728	\$1,011,199	\$0	\$0	\$8,827,927
Uncertificated Salaries & Wages	104.7	\$3,246,015	\$536,867	\$0	\$0	\$3,782,882
TOTALS		\$11,321,924	\$1,575,237	\$0	\$0	\$12,897,161

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68

Legal Name of School Jurisdiction

P.O. Box 69, Claresholm, Alberta T0L 0T0

Mailing Address

(403) 625-3356 (telephone) (403) 625-2424 (fax)

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Kelly Hall

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Dr. David Rideout

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Don Olsen

Name

"ORIGINAL SIGNED"

Signature

25-Nov-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

AUDITORS' REPORT

To the Board of Trustees of the
Livingstone Range School Division No. 68

We have audited the statement of financial position of the Livingstone Range School Division No. 68 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

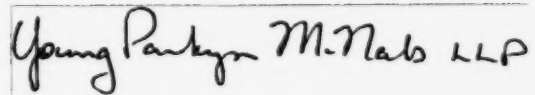
We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations and changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Lethbridge, Alberta

October 26, 2004

Young Parkyn M. Nels LLP

Chartered Accountants

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$3,070,284	\$5,470,026
Accounts receivable (net after allowances)		\$3,269,413	\$4,061,907
Prepaid expenses		\$102,270	\$111,929
Other current assets		\$152,227	\$143,078
Total current assets		\$6,594,194	\$9,786,940
School generated assets		\$741,980	\$752,277
Trust assets		\$144,002	\$100,774
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$1,158,361	\$1,158,361
Buildings	\$50,572,444		
Less: accumulated amortization	(\$21,164,551)	\$29,407,893	\$28,836,488
Equipment	\$862,867		
Less: accumulated amortization	(\$388,369)	\$474,498	\$482,770
Vehicles	\$4,052,610		
Less: accumulated amortization	(\$2,263,340)	\$1,789,270	\$1,801,340
Total capital assets		\$32,830,022	\$32,278,959
TOTAL ASSETS		\$40,310,198	\$42,918,950
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$1,362,046	\$2,919,201
Deferred revenue		\$2,233,547	\$2,075,675
Deferred capital allocations		\$969,848	\$2,855,456
Current portion of all long term debt		\$459,812	\$519,113
Total current liabilities		\$5,025,253	\$8,369,445
School generated liabilities		\$741,980	\$752,277
Trust liabilities		\$144,002	\$100,774
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$3,189,497	\$3,708,610
Less: Current portion of supported debt		(\$459,812)	(\$519,113)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$0	\$0
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		\$0	\$0
Unamortized capital allocations		\$24,644,284	\$23,955,677
Total long term liabilities		\$28,259,951	\$27,998,225
TOTAL LIABILITIES		\$33,285,204	\$36,367,670
NET ASSETS			
Unrestricted net assets		\$956,891	\$835,743
Operating Reserves		\$1,060,201	\$1,089,203
Accumulated Operating Surplus (Deficit)		\$2,017,092	\$1,924,946
Investment in capital assets		\$4,996,240	\$4,614,672
Capital Reserves		\$11,662	\$11,662
Total Capital Funds		\$5,007,902	\$4,626,334
Total net assets		\$7,024,994	\$6,551,280
TOTAL LIABILITIES AND NET ASSETS		\$40,310,198	\$42,918,950

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES
for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$28,321,165	\$27,542,073	\$28,054,183
Alberta Infrastructure	\$3,126,052	\$2,867,514	\$3,298,224
Alberta Finance	\$376,908	\$376,908	\$435,772
Other Government of Alberta	\$3,685	\$5,000	\$1,287
Federal Government and/or First Nations	\$2,160,501	\$1,742,000	\$2,208,735
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$185,618	\$262,814	\$211,003
Transportation fees	\$0	\$0	\$0
Other sales and services	\$774,882	\$457,519	\$704,983
Investment income	\$20,268	\$67,780	\$61,908
Gifts and donations	\$25,000	\$0	\$25,000
Rentals of facilities	\$52,636	\$43,540	\$51,312
Net school generated funds	\$921,712	\$750,000	\$879,966
Gains on disposal of capital assets	\$68,024	\$0	\$10,766
Amortization of capital allocations	\$1,702,216	\$1,373,022	\$1,581,659
Total Revenues	\$37,738,667	\$35,488,170	\$37,524,798
EXPENSES			
Certificated salaries	\$17,338,911	\$16,933,668	\$18,298,979
Certificated benefits	\$1,994,448	\$1,937,900	\$2,065,670
Uncertificated salaries and wages	\$6,601,999	\$5,947,191	\$6,669,227
Uncertificated benefits	\$1,274,221	\$1,137,549	\$1,175,555
Services, contracts and supplies	\$6,956,808	\$6,894,188	\$6,946,837
Net school generated funds	\$921,712	\$750,000	\$879,966
Capital and debt services			
Amortization of capital assets			
Supported	\$1,702,216	\$1,373,022	\$1,413,200
Unsupported	\$454,130	\$587,993	\$423,688
Total Amortization of capital assets	\$2,156,346	\$1,961,015	\$1,836,888
Interest on capital debt			
Supported	\$376,908	\$376,908	\$435,772
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$376,908	\$376,908	\$435,772
Other interest charges	\$1,905	\$2,000	\$2,765
Losses on disposal of capital assets	\$52,871	\$0	\$183,887
Total Expenses	\$37,676,129	\$35,940,419	\$38,495,546
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM	\$62,538	(\$452,249)	(\$970,748)
Unrestricted revenues used for capital purposes	\$411,176	\$0	\$383,609
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$473,714	(\$452,249)	(\$587,139)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$473,714	(\$587,139)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,702,216)	(\$1,581,659)
Total amortization expense	\$2,156,346	\$1,836,888
Gains on disposal of capital assets	(\$68,024)	(\$10,766)
Losses on sale of capital assets	\$52,871	\$183,887
Changes in accrued accounts:		
Accounts receivable	\$792,494	(\$75,695)
Prepays and other current assets	\$510	(\$40,658)
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,557,155)	(\$1,893,637)
Deferred revenue	\$157,872	(\$612,222)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$306,412	(\$2,781,001)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$2,307,756)	(\$9,036,866)
Equipment	(\$194,745)	(\$141,995)
Vehicles	(\$358,204)	(\$428,607)
Net proceeds from disposal of capital assets	\$143,579	\$67,382
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$2,717,126)	(\$9,540,086)
C. FINANCING ACTIVITIES		
Capital allocations received	\$10,972	\$728,422
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$519,113)	(\$573,646)
Add back: supported portion	\$519,113	\$573,646
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$10,972	\$728,422
Net sources (uses) of cash equivalents* during year	(\$2,399,742)	(\$11,592,665)
Cash Equivalents at the beginning of the year	\$5,470,026	\$17,062,691
Cash Equivalents at the end of the year	\$3,070,284	\$5,470,026

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(13) External Services	(14)
					(5) School Based		(6) Infrastructure		(7) Board & System Admin.		(8) Transportation		(9) Unrestricted Operating Reserves			
					Unrestricted Operating Reserves	Unsupported Capital Reserves	Unrestricted O & M Operating Reserves	Unsupported Capital Reserves	Unrestricted Operating Reserves	Unsupported Capital Reserves	Unrestricted Operating Reserves	Unsupported Capital Reserves	Unrestricted Operating Reserves	Unsupported Capital Reserves		
Balance at August 31, 2003	\$6,551,280	\$4,614,672	\$835,743	\$1,100,865	\$155,443	\$11,662	\$323,760	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0
Prior period adjustments (describe)																
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$6,551,280	\$4,614,672	\$835,743	\$1,100,865	\$155,443	\$11,662	\$323,760	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0
Surplus(def) of revenue over expenses	\$473,714		\$473,714													
Board funded capital transactions		\$964,124	\$820,345	\$143,579	\$0	\$123,797	\$0	\$0	\$0	\$5,942	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0														
Amortization of capital assets		\$2,156,346	\$2,156,346													
Amortization of capital allocations		\$1,702,216	\$1,702,216													
Disposal of unsupported capital assets	\$0	\$128,426	\$15,153	\$143,579		\$123,797		\$9,500		\$5,942		\$4,340		\$0		\$0
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0			\$0		\$0		\$0		\$0		\$0		\$0
Debt principal payments (unrestricted)		\$0	\$0													
Net transfers to operating reserves			\$519,516	\$519,516	\$519,516		\$0		\$0		\$0		\$0		\$0	
Net transfers from operating reserves			\$548,518	\$548,518	\$279,135		\$269,383		\$0		\$0		\$0		\$0	
Net transfers to capital reserves			\$0	\$0		\$0				\$0		\$0		\$0		\$0
Net transfers from capital reserves			\$0	\$0		\$0				\$0		\$0		\$0		\$0
Balance at August 31, 2004	\$7,024,994	\$4,996,240	\$956,891	\$1,071,863	\$395,824	\$11,662	\$54,377	\$0	\$210,000	\$0	\$400,000	\$0	\$0	\$0	\$0	\$0

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$2,855,456	\$23,955,677
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$10,972	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$519,113
Expended capital allocations - current year	(\$1,896,580)	\$1,896,580
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$24,870
Capital allocations amortized to revenue		\$1,702,216
Balance at August 31, 2004	\$969,848	\$24,644,284

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

1. Authority and purpose

The School Division delivers education programs under the authority of the School Act, Chapter S - 3, Statutes of Alberta, January 1, 2002.

The School Division receives block allocations for Instruction and Support under Regulation 72/95. The Regulation limits funding and expenses for administration. It permits the School Division, within specified limits, to reallocate funding between the instruction and support blocks.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles with the significant policies being as follows:

Revenue recognition

Revenue is recognized as follows:

Instruction and support allocation are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Capital allocations from the province or other agencies are recorded as deferred capital contributions until spent. Once spent, they are transferred to unamortized capital allocations which are amortized to revenue on the same basis as the capital assets acquired by the grant.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds which are to be retained as net assets are recorded as direct increases in trust assets and liabilities.

Temporary investments

Temporary investments are valued at cost. Accrued interest on these investments is recorded as it is earned.

Inventories

Inventories are recorded at the lesser of cost and net realizable value. Cost is determined on the basis of most recent invoice cost.

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	2.5 to 10%
Equipment and furnishings	10% and 20%
Vehicles and buses	10% and 20%

There is no amortization charged in the year of acquisition.

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

2. Summary of significant accounting policies (continued)

Capital assets (continued)

Only capital assets with costs in excess of \$5,000 are capitalized.

School generated funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (eg. yearbook sales, graduation fees, field trip fees, etc.).

Vacation pay

Vacation pay is accrued in the period in which the employee earns the benefit.

Contributed services

Volunteers assist schools operated by the School Division in carrying out certain activities. Because of the difficulty of determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Pension obligation

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School Division does not make pension contributions for certificated staff.

The School Board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$241,861 for the year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

Measurement uncertainty

The financial statements by their nature, contain estimates and are subject to measurement uncertainty. Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided based on management's best information available at the time. The amounts recorded for amortization of capital assets are based on estimates of the useful life of the related assets. Pension plan expenses are based on actuarial valuations extrapolated to the reporting date. The effect on the financial statements of changes in such estimates in future periods could be significant.

Financial instruments

The jurisdiction=s financial instruments consist of cash, accounts receivable, accounts payable, accrued liabilities, and long-term debt. It is management=s opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

2. Summary of significant accounting policies (continued)

Operating and capital reserves

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

Employee future benefits

The jurisdiction accrues its obligations under employee future benefit plans and expenses the related costs.

3. Temporary investments

Temporary investments consist of redeemable term investments with the Bank of Montreal in the amount of \$1,981,218 (2003 - \$4,322,835), bear interest at rates ranging from prime minus 2.15% to prime minus 2.5%, and mature throughout the year.

4. Bank indebtedness

The jurisdiction has negotiated a line of credit in the amount of \$1,000,000 that bears interest at the bank prime rate. This line of credit, which is secured by a borrowing by-law and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004 (2003 - \$0).

5. Deferred revenue

	2004	2003
Infrastructure modernization program revenue	\$ 972,127	\$ 1,004,746
Block modernization revenue	1,041,231	1,023,765
Transportation - one time funding	-	43,000
Alberta Initiative for School Improvement	220,189	-
Other	-	4,164
	\$ 2,233,547	\$ 2,075,675

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

6. Long-term debt

The School Division has issued the following debentures to the Alberta Finance to finance construction of school buildings having a carrying value of \$29,407,893. The debenture debt is fully supported by Alberta Finance.

7.25% to 16.50% due 2005 to 2019	\$ 3,189,497
Due within one year	(459,812)
	\$ 2,729,685

Principal repayments required in each of the next five fiscal years and beyond are as follows:

	Principal	Interest	Total
2005	\$ 459,813	\$ 328,293	\$ 788,106
2006	439,247	279,631	718,878
2007	421,417	231,965	653,382
2008	370,435	185,864	556,299
2009	352,198	147,114	499,312
2010 to maturity	1,146,387	346,802	1,493,189

7. Internally restricted net assets

Net assets may be restricted by authorization of the Board of Trustees for future capital and operating expenditures. The amounts are established and expended in accordance with terms and conditions established by the Board.

	2003	Appropriated	Used	2004
Operating Reserves				
School	\$ 155,443	\$ 519,516	\$ (279,135)	\$ 395,824
Board and System Administration	210,000	-	-	210,000
Operations and Maintenance	323,760	-	(269,383)	54,377
Transportation	400,000	-	-	400,000
	1,089,203	519,516	(548,518)	1,060,201
Capital Reserves				
Land - unsupported	10,000	-	-	10,000
Equipment	1,662	-	-	1,662
	11,662	-	-	11,662
	\$ 1,100,865	\$ 519,516	\$ (548,518)	\$ 1,071,863

LIVINGSTONE RANGE SCHOOL DIVISION NO. 68
NOTES TO FINANCIAL STATEMENTS
For the Year Ended August 31, 2004

8. Economic dependence on related third party

The Livingstone Range School Division No. 68's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependant on this funding.

9. Budget amounts

The budget was prepared by the School jurisdiction management with Board of Trustees approval given on June 24, 2003. It is presented for information purposes only and has not been audited.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$22,285,537	\$1,179,897	\$21,105,640		\$2,010,233			\$1,363,518	\$0
(2) Support block	\$3,973,748	\$0	\$0		\$0			\$0	\$0
(3) Instruction & support block reallocations	\$320,411	\$0	\$320,411					\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$198,743	\$0	\$198,743					\$0	\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0					\$0	\$0
(6) SuperNet Access	\$1,098,000	\$0	\$1,098,000					\$0	\$0
(7) Teacher Salary Enhancement (TSE)	\$0	\$0	\$0					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0					\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0	\$0					\$0	\$0
(10) Other Alberta Learning revenues	\$444,728	\$0	\$444,728					\$0	\$0
(11) Total Alberta Learning Revenue	\$18,221,185	\$1,179,897	\$23,124,510	\$0	\$2,010,233			\$1,363,518	\$0
Alberta Infrastructure									
(12) Expensed IMP (BORP) support & portable relocations	\$0	\$0	\$0	\$0				\$0	\$0
(13) Operations & Maintenance support	\$3,128,052	\$0	\$3,128,052	\$1,128,052				\$0	\$0
(14) Operations & Maintenance support (One-Time)	\$0	\$0	\$0	\$0				\$0	\$0
(15) Total Alberta Infrastructure Revenue	\$3,128,052	\$0	\$3,128,052	\$1,128,052				\$0	\$0
Alberta Finance									
(16) Alberta Finance	\$3,706,808	\$0	\$3,706,808	\$3,706,808				\$0	\$0
(17) Other - Government of Alberta	\$3,685	\$0	\$0	\$0				\$0	\$0
(18) Federal Government and/or First Nations	\$2,892,551	\$0	\$1,947,237	\$1,118,233				\$85,031	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0				\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0				\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0				\$0	\$0
(22) Instruction resource fees	\$188,818	\$0	\$188,818	\$0				\$0	\$0
(23) Transportation fees	\$0	\$0	\$0	\$0				\$0	\$0
(24) Other sales and services	\$174,882	\$0	\$682,282	\$49,873	\$42,317			\$200	\$0
(25) Investment income	\$20,285	\$0	\$14,835	\$1,000	\$750			\$3,883	\$0
(26) Gifts and donations	\$25,000	\$0	\$25,000	\$0				\$0	\$0
(27) Rentals of facilities	\$32,036	\$0	\$0	\$11,398	\$22,200			\$16,050	\$0
(28) Net school generated funds	\$271,172	\$0	\$271,172	\$1,272,421	\$84,702			\$0	\$0
(29) Gains on disposal of capital assets	\$68,024	\$0	\$48,242	\$0	\$4,340			\$0	\$0
(30) Amortization of capital allocations	\$1,702,215	\$0	\$0	\$1,702,215	\$0			\$0	\$0
(31) TOTAL REVENUES	\$37,738,887	\$1,179,897	\$28,548,255	\$5,988,853	\$2,723,040			\$1,497,422	\$0
EXPENSES									
(32) Certificated salaries	\$17,338,911	\$495,826	\$16,843,085					\$286,853	\$0
(33) Certificated benefits	\$1,064,448	\$52,508	\$1,011,940					\$44,205	\$0
(34) Uncertificated salaries and wages	\$6,601,880	\$237,087	\$6,364,793	\$1,487,588	\$765,571			\$132,430	\$0
(35) Uncertificated benefits	\$1,274,221	\$37,410	\$1,236,811	\$234,863	\$14,504			\$3,273,834	\$0
(36) SUB - TOTAL	\$27,298,319	\$823,843	\$26,474,476	\$2,767,354	\$860,076			\$990,982	\$0
(37) Services, contracts & supplies	\$6,950,608	\$68,855	\$2,413,774	\$2,802,753	\$1,850,895			\$320,520	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(39) Net school generated funds	\$271,172	\$0	\$271,172	\$0	\$0			\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,702,215	\$0	\$0	\$1,702,215				\$0	\$0
(41) Unsupported	\$444,130	\$0	\$141,188	\$33,838	\$298,828			\$12,175	\$0
(42) Total Amortization	\$2,146,345	\$0	\$141,188	\$1,736,053	\$298,828			\$12,175	\$0
Interest on capital debt									
(43) Supported	\$376,908	\$0	\$0	\$376,908	\$0			\$0	\$0
(44) Unsupported	\$1,905	\$0	\$0	\$0	\$0			\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0			\$1,905	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(47) TOTAL EXPENSES	\$37,818,129	\$495,845	\$28,322,284	\$5,988,853	\$2,723,040			\$1,497,422	\$0
(48) Surplus/deficit before unrestricted revenues used for capital purposes	\$95,758	\$347,052	\$1,226,971	\$0	\$0			\$0	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative
Certificated salaries	\$14,196,289	\$1,052,270	\$0	\$788,333	\$424,660	\$94,536	\$0
Certificated benefits	\$1,561,799	\$124,272	\$0	\$82,649	\$44,762	\$95,253	\$0
Uncertificated salaries and wages	\$708,490	\$1,165,453	\$0	\$344,607	\$1,454,368	\$0	\$345,825
Uncertificated benefits	\$140,173	\$248,260	\$0	\$63,562	\$262,366	\$0	\$75,225
SUB - TOTAL REMUNERATION	\$16,606,751	\$2,590,255	\$0	\$1,278,171	\$2,186,156	\$179,791	\$421,050
Services, contracts & supplies	\$1,862,148	\$250,436	\$0	\$111,197	\$23,525	\$110,620	\$25,848
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$921,712	\$0	\$0	\$0	\$0	\$0	\$921,712
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsuported	\$141,188	\$0	\$0	\$0	\$0	\$0	\$141,188
Total Amortization	\$141,188	\$0	\$0	\$0	\$0	\$0	\$141,188
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unsuported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$52,871	\$0	\$0	\$0	\$0	\$0	\$52,871
Losses on disposal of capital assets	\$19,584,670	\$2,840,691	\$0	\$1,390,308	\$2,209,681	\$320,411	\$446,898
TOTAL EXPENSES							
FTE Certificated				12.0	6.2		
FTE Uncertificated				13.9	48.2		
							\$26,792,719

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE		
Basic Instruction	\$17,845,781	\$1,774,136	\$3,574,934	\$0	\$23,194,851	\$20,156,951	\$3,037,900
School Admin & Instruction Support Expenses						\$2,840,691	(\$2,840,691)
System Instruction Support Expenses						\$0	\$0
Total Basic Instruction	\$17,845,781	\$1,774,136	\$3,574,934	\$0	\$23,194,851	\$22,997,642	\$197,209
Sub-Programs & Initiatives							
Severely Disabled	\$2,000,193	\$161,000	\$0		\$2,161,193	\$2,209,681	(\$48,488)
English as a Second Language	\$86,112				\$86,112	\$86,112	\$0
Enhanced Opportunities	\$0				\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$84,514		\$0		\$84,514	\$119,607	(\$35,093)
Institutional Programs	\$0				\$0	\$0	\$0
Sparsity & Distance	\$536,017				\$536,017	\$536,017	\$0
Growth & Density	\$97,986				\$97,986	\$97,986	\$0
Teacher Assistants Program	\$82,029				\$82,029	\$82,029	\$0
Early Literacy Initiative (K-2)	\$149,638				\$149,638	\$149,638	\$0
Learning Resources Credit & Resources for the Classroom	\$34,950	\$83,743	\$185,618		\$304,311	\$344,742	(\$40,431)
Technology Integration	\$172,172		\$64,184		\$236,356	\$639,312	(\$402,956)
French Language Program & Francisation (all jurisdictions)	\$3,255		\$0		\$3,255	\$3,255	\$0
Home Education	\$12,993		\$0		\$12,993	\$12,993	\$0
Total Sub-Programs & Initiatives	\$3,259,859	\$2,018,879	\$3,824,736	\$0	\$26,949,255	\$3,795,077	(\$40,873)
INSTRUCTION, GRADES 1-12	\$21,105,640	\$2,018,879	\$3,824,736	\$0	\$26,949,255	\$26,792,719	\$156,536

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$22,113,365
Support Block - Transportation	\$2,610,233
SUBTOTAL	\$24,723,598
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$3,126,052
Teacher Salary Enhancement	\$1,098,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$3,685
Federal government/First Nations	\$2,160,501
Other Alberta school authorities	\$0
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$774,882
Interest on investments	\$20,268
Rentals of facilities	\$52,636
Gains on disposal of capital assets	\$68,024
Amortization of capital allocations	\$1,702,216
School generated funds (Schedule E)	\$1,353,500
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$35,083,362
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	4.90%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = 75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,720,628
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,720,628
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$1,525,072
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,525,072
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,720,628
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$195,556

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$752,277
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$1,353,500	
Less: SGF - related cost recoveries (Note 3)	\$490,949	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$862,551	
Plus: Donations Received (Note 5)	\$48,864	
Equals: Net Additions to SGF		\$911,415
Net SGF Available for discretionary spending		\$1,663,692
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$921,712
Unexpended SGF - Closing Balance August 31, 2004		\$741,980
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations & Maintenance
Uncertificated salaries and wages	\$684,890	\$298,369	\$0	\$0	\$84,299	\$1,047,558		\$1,047,558
Uncertificated benefits	\$145,949	\$65,828	\$0	\$0	\$13,086	\$224,863		\$224,863
Sub-total Remuneration	\$810,839	\$364,197	\$0	\$0	\$97,385	\$1,272,421		\$1,272,421
Contracted Services	\$517,826	\$211,954	\$0	\$0	\$2,016	\$731,796		\$731,796
Supplies	\$87,281	\$171,563	\$0	\$0	\$25,483	\$294,206		\$294,206
Electricity			\$9,879			\$606,696		\$606,696
Natural Gas/Heating Fuel			\$487,590			\$487,590		\$487,590
Sewer and Water			\$86,878			\$86,878		\$86,878
Telecommunications			\$11,789			\$11,789		\$11,789
Insurance					\$83,798	\$83,798		\$83,798
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsuported							\$1,702,216	\$1,702,216
Total Amortization						\$13,939		\$13,939
Interest on capital debt						\$13,939	\$1,702,216	\$1,716,155
Supported								
Unsuported							\$376,908	\$376,908
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$1,415,946	\$747,714	\$1,202,832	\$0	\$208,682	\$3,589,113	\$2,079,124	\$5,668,237
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	19.5	7.0						6,957.7
Contracted Services	11.2	0.0						3,632.0

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

Chairperson:	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other	Total	Expenses
Name Kelly Hall	1.0	\$12,733	\$3,774	\$0	\$0		\$16,507	\$4,335
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Other Board Members:								
Name Brian Amundsen	1.0	\$8,125	\$2,358	\$0	\$0		\$10,483	\$4,380
Name Bev Evans	1.0	\$7,205	\$3,488	\$0	\$0		\$10,693	\$1,920
Name Barb Kirk	1.0	\$4,918	\$1,846	\$0	\$0		\$6,564	\$1,650
Name Judy Lee	1.0	\$10,193	\$3,614	\$0	\$0		\$13,807	\$3,689
Name Nina Shimp	1.0	\$12,738	\$555	\$0	\$0		\$13,293	\$4,637
Name Ron Zukowsky	1.0	\$9,720	\$3,639	\$0	\$0		\$13,359	\$5,323
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Name	0.0	\$0	\$0	\$0	\$0		\$0	\$0
Subtotal	7.0	\$65,632	\$19,074	\$0	\$0		\$84,706	\$25,934
Superintendent Dr. David Rideout	1.0	\$125,175	\$10,513	\$0	\$5,500	\$0	\$141,188	\$33,247
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Don Olsen	1.0	\$101,560	\$17,554	\$0	\$0	\$0	\$119,114	\$14,083
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	245.3	\$17,208,236	\$1,983,935	\$0	\$0	\$0	\$19,192,171	
Uncertificated Salaries & Wages	250.0	\$6,434,807	\$1,224,688	\$0	\$0	\$0	\$7,659,495	
TOTALS		\$23,935,410	\$3,255,764	\$0	\$5,500	\$0	\$27,196,674	

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Medicine Hat Catholic Separate Regional Division No. 20

Legal Name of School Jurisdiction

1251 - 1 Avenue S.W., Medicine Hat, AB, T1A 8B4

Mailing Address

403-527-2292 403-529-0917

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTINGThe financial statements and supporting schedules Medicine Hat Catholic Separate Regional Division No. 20

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN**Michael Tivadar**

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT**Dr. Guy Tetrault**

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER**Bernard Girardin, MBA**

Name

"ORIGINAL SIGNED"

Signature

8-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996



MEYERS NORRIS PENNY LLP

AUDITORS' REPORT

To the Board of Trustees
Medicine Hat Catholic Separate Regional Division No. 20

We have audited the statement of financial position of the Medicine Hat Catholic Separate Regional Division No. 20 as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial statements as at and for the year ended August 31, 2003 were audited by other auditors, who expressed an opinion without reservation on these statements in their report dated November 5, 2003.

Medicine Hat, Alberta
October 20, 2004

Meyers Norris Penny LLP
Chartered Accountants



CHARTERED ACCOUNTANTS & BUSINESS ADVISORS
666 - 4TH ST. S.E., BOX 580, MEDICINE HAT, AB T1A 7G5
1-877-500-0786 PH. (403) 527-4441 FAX (403) 526-6218 www.mnp.ca

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$117,067	\$4,667,762
Accounts receivable (net after allowances)	\$1,655,959	\$1,787,748
Prepaid expenses	\$393,887	\$273,827
Other current assets	\$171,590	\$141,254
Total current assets	\$2,338,503	\$6,870,591
School generated assets	\$284,102	\$231,392
Trust assets	\$7,503	\$7,338
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$225,905	\$225,905
Buildings	\$23,963,297	
Less: accumulated amortization	(\$6,673,435)	
Equipment	\$72,132	
Less: accumulated amortization	(\$19,457)	
Vehicles	\$88,760	
Less: accumulated amortization	(\$26,814)	
Total capital assets	\$61,946	\$79,699
TOTAL ASSETS	\$17,630,388	\$13,860,325
	\$20,260,495	\$20,969,646
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$1,479,370	\$1,680,047
Deferred revenue	\$221,349	\$123,086
Deferred capital allocations	\$556,002	\$4,459,605
Current portion of all long term debt	\$191,008	\$234,616
Total current liabilities	\$2,447,729	\$6,497,354
School generated liabilities	\$284,102	\$231,392
Trust liabilities	\$7,503	\$7,338
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$1,497,266	\$1,731,883
Less: Current portion of supported debt	(\$191,008)	(\$234,616)
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$15,699,624	\$11,690,954
Total long term liabilities	\$17,297,487	\$13,426,951
TOTAL LIABILITIES	\$19,745,215	\$19,924,305
NET ASSETS		
Unrestricted net assets	\$14,131	\$308,808
Operating Reserves	\$47,650	\$279,043
Accumulated Operating Surplus (Deficit)	\$61,781	\$587,851
Investment in capital assets	\$433,499	\$437,490
Capital Reserves	\$20,000	\$20,000
Total Capital Funds	\$453,499	\$457,490
Total net assets	\$515,280	\$1,045,341
TOTAL LIABILITIES AND NET ASSETS	\$20,260,495	\$20,969,646

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$16,174,899	\$16,066,075	\$15,481,470
Alberta Infrastructure	\$1,902,594	\$1,911,814	\$2,007,433
Alberta Finance	\$174,542	\$250,000	\$198,207
Other Government of Alberta	\$11,390	\$0	\$57
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$99,881	\$0	\$95,076
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$164,351	\$115,000	\$138,184
Transportation fees	\$0	\$0	\$0
Other sales and services	\$46,442	\$265,378	\$191,589
Investment income	\$33,446	\$0	\$35,205
Gifts and donations	\$4,150	\$0	\$7,645
Rentals of facilities	\$226,674	\$0	\$203,962
Net school generated funds	\$608,410	\$200,000	\$710,194
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$433,736	\$400,000	\$442,255
Total Revenues	\$19,880,515	\$19,208,267	\$19,511,277
EXPENSES			
Certificated salaries	\$10,599,375	\$10,236,636	\$10,069,468
Certificated benefits	\$1,270,853	\$1,332,974	\$1,181,027
Uncertificated salaries and wages	\$3,172,381	\$3,004,479	\$2,992,306
Uncertificated benefits	\$807,438	\$838,233	\$752,569
Services, contracts and supplies	\$3,319,686	\$2,943,445	\$3,368,288
Net school generated funds	\$608,410	\$200,000	\$710,194
Capital and debt services			
Amortization of capital assets			
Supported	\$433,737	\$400,000	\$442,256
Unsupported	\$21,037	\$0	\$11,488
Total Amortization of capital assets	\$454,774	\$400,000	\$453,744
Interest on capital debt			
Supported	\$173,867	\$250,000	\$198,199
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$173,867	\$250,000	\$198,199
Other interest charges	\$3,792	\$2,500	\$2,329
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$20,410,576	\$19,208,267	\$19,728,124
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM	(\$530,061)	\$0	(\$216,847)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	(\$530,061)	\$0	(\$216,847)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	(\$530,061)	(\$216,847)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$433,736)	(\$442,255)
Total amortization expense	\$454,774	\$453,744
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	\$131,789	(\$505,900)
Prepays and other current assets	(\$150,396)	(\$77,628)
Long term accounts receivable	\$0	\$312,617
Long term investments	\$0	(\$273,830)
Payables and accrued liabilities	(\$200,677)	\$0
Deferred revenue	\$98,263	\$0
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$630,044)	(\$750,099)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$4,207,790)	(\$1,028,504)
Equipment	(\$17,047)	(\$8,588)
Vehicles	\$0	(\$43,452)
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$4,224,837)	(\$1,080,544)
C. FINANCING ACTIVITIES		
Capital allocations received	\$304,187	\$54,567
Issue of long term debt	\$0	\$0
Repayment of long term debt	(\$234,617)	(\$247,780)
Add back: supported portion	\$234,616	\$247,780
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$304,186	\$54,567
Net sources (uses) of cash equivalents* during year	(\$4,550,695)	(\$1,776,076)
Cash Equivalents at the beginning of the year	\$4,667,762	\$6,443,838
Cash Equivalents at the end of the year	\$117,067	\$4,667,762

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS (Columns 2-3-4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Column 5 to 14)	(5) RESTRICTED NET ASSETS								(13) External Services	(14) Unrestricted Capital Reserves
					(6) School Based		(7) Infrastructure		(8) Board & System Admin		(9) Transportation			
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves		
Balance at August 31, 2003	\$1,045,341	\$437,490	\$308,808	\$298,043	\$268,376	\$0	\$12,687	\$30,000	\$0	\$0	\$0	\$0	\$0	
Prior period adjustments (minority)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$1,045,341	\$437,490	\$308,808	\$298,043	\$268,376	\$0	\$12,687	\$30,000	\$0	\$0	\$0	\$0	\$0	
Surplus (def) of revenue over expenses (\$530,081)			(\$530,081)											
Board funded capital transactions		\$17,047	\$17,047	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0												
Amortization of capital assets		(\$454,774)	(\$454,774)											
Amortization of capital allocations		\$433,736	(\$433,736)											
Disposal of unrestricted capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of supported capital assets-unrestricted portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt principal payments (unrestricted)		\$0	\$0	\$0										
Net transfers to operating reserves			(\$14,000)	\$14,000	\$0		\$14,000	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers from operating reserves			\$245,393	(\$245,393)	(\$245,393)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers to capital reserves			\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers from capital reserves			\$0	\$0		\$0		\$0	\$0	\$0	\$0	\$0	\$0	
Balance at August 31, 2004	\$515,260	\$433,490	\$14,131	\$67,650	\$12,683	\$0	\$28,687	\$30,000	\$0	\$0	\$0	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$4,459,605	\$11,690,954
<u>Add:</u>		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$230,907	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$73,280	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$234,616
Expended capital allocations - current year	(\$4,207,790)	\$4,207,790
<u>Less:</u>		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$433,736
Balance at August 31, 2004	\$556,002	\$15,699,624

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

1. AUTHORITY AND PURPOSE

The Medicine Hat Catholic Separate Regional Division No. 20 delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta 2000, Chapter S-3.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The School Jurisdiction is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a. REVENUE RECOGNITION

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Externally restricted capital allocations from the province or other agencies are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested representing funded capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as amortization of capital allocations revenue in the periods which the related amortization expense of the funded capital asset is recorded.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in-kind are recorded at fair market value when reasonably determinable.

Interest earned on trust assets and liabilities is recorded as direct increases in trust assets and liabilities.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with. Endowment funds contributions are recognized as direct increases in net assets in the period in which they are received.

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b. CAPITAL ASSETS

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. Donated assets are recorded at fair market value at the time of the donation. No amortization is taken in the year of acquisition and a full year of amortization is taken in the year of disposal. The rates are as follows:

Buildings	40 years
Equipment	5 years
Vehicles	5 years

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

Buildings includes a joint ownership in a school, health, wellness and recreation facility under construction in which the Medicine Hat Catholic Separate Regional Division No. 20 contributes 53% of the project costs. As at August 31, 2004, the project was not complete. Estimated cost of completion is \$1,104,518.

c. SCHOOL GENERATED FUNDS

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

d. VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

e. PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current services of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Medicine Hat Catholic Separate Regional Division No. 20 does not make pension contributions for certificated staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to annual contributions of \$104,274 (2003 - \$81,191) for the Year ended August 31, 2004. At December 31, 2003, the Local Authorities Pension Plan reported an actuarial deficiency of \$1,410,987,000 (2002 deficiency of \$444,980,000).

f. PREPAID EXPENSES

Certain expenditures incurred and paid before the close of the school year are for specific school supplies, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses. Certain insurance expenses fall into this category.

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

g. CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h. FINANCIAL INSTRUMENTS

The jurisdiction's financial instruments consist of cash, accounts receivable, temporary and long-term investments, accounts payable, accrued liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values. The jurisdiction has invested surplus funds in accordance with Section 60 of the *School Act* and Section 5 of the *Trustees Act*.

i. OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction or externally, to set aside funds for operating and for future capital expenditures. Such reserves are appropriations of accumulated surplus.

j. EMPLOYEE FUTURE BENEFITS

The jurisdiction accounted for the future cost of employee benefits commencing in the 2001/2002 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

k. MEASUREMENT UNCERTAINTY

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Amortization is based on the estimated useful lives of capital assets. Amortization of capital allocations is based on the related estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

3. ACCOUNTS RECEIVABLE

	2004	2003
Alberta Learning	\$ 118,698	\$ 28,248
Alberta Infrastructure	389,196	285,737
Other province of Alberta	140,283	74,461
Federal Government	302,339	111,283
Alberta Municipalities	505,245	1,195,505
Other	210,198	92,514
Total	\$1,655,959	\$ 1,787,748

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

4. BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$730,000 that bears interest at bank prime rate less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004 (\$0 in 2003).

5. ACCOUNTS PAYABLE AND LIABILITIES

	2004	2003
Other Province of Alberta	\$ 574,692	\$ 703,257
Other Trade Payables and Accrued Liabilities	904,678	976,790
Total	<u>\$ 1,479,370</u>	<u>\$ 1,680,047</u>

6. DEFERRED REVENUE

	2004	2003
Building Improvement Provincial Projects (BQRP)	\$ 221,349	\$ 18,951
Plant operations and maintenance one time grant	-	104,135
Total	<u>\$ 221,349</u>	<u>\$ 123,086</u>

7. TRUST ASSETS AND LIABILITIES

These balances represent cash that is held in trust by the jurisdiction for following areas:

	2004	2003
Scholarship Trusts	\$ 7,503	\$ 7,338

8. LONG-TERM DEBT

a. DEBENTURE DEBT - SUPPORTED

The debenture debt bears interest at rates varying between 6.875% and 12.000%. The debenture debt is fully supported by Alberta Finance. The current portion of long-term debt consists of amounts payable by Alberta Finance on supported debt; therefore, the working capital (current assets minus current liabilities) is understated by this amount. Debenture payments due over the next five years and beyond are as follows:

	Principal	Interest	Total
2004-2005	\$ 191,008	\$ 161,008	\$ 352,016
2005-2006	162,413	140,735	303,148
2006-2007	145,902	123,114	269,016
2007-2008	145,902	107,474	253,376
2008-2009	143,596	91,834	235,430
2009 to maturity	708,345	-	708,345
Total	<u>\$ 1,497,166</u>	<u>\$ 624,165</u>	<u>\$ 2,121,331</u>

b. CAPITAL LEASES - UNSUPPORTED

There are currently no capital leases held by the jurisdiction.

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

9. DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdiction, but the related capital expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the capital expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

	2004	2003
Balance, Beginning of Year	\$ 4,459,605	\$ 5,433,542
Allocations received & receivable during the year	304,187	24,333
Transfer from capital reserve	-	30,234
Transfers to Unamortized Capital Allocations	(4,207,790)	(1,028,504)
Balance, End of Year	\$ 556,002	\$ 4,459,605

10. UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable capital asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid.

11. COMMITMENTS

The Division has entered into various lease agreements with estimated minimum annual payments as follows:

2004 - 2005	\$ 164,440
2005 - 2006	\$ 163,991
2006 - 2007	\$ 99,842
2007 - 2008	\$ 71,173
2008 - 2009	\$ 23,111

12. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

13. COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

14. ECONOMIC DEPENDENCE

The Medicine Hat Catholic Separate Regional Division No. 20's primary source of income is from the Alberta Government. The Division's ability to continue viable operations is dependent on this funding.

MEDICINE HAT CATHOLIC SEPARATE REGIONAL DIVISION NO. 20

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

15. CONTINGENCIES

The jurisdiction is a member of an Urban School Insurance Consortium. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenditures in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.

The jurisdiction is contingently liable for corporate credit cards issued with a combined authorized credit limit of \$892,800 (2003 - \$951,050).

The jurisdiction is currently in contract negotiations with the Alberta Teachers Association. No contract has been finalized as of the audit date. It is not possible to predict the ultimate outcome of these negotiations or to estimate the amount of any retroactive pay that may result.

SCHEDULE A to the AFS ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin.	External Services
Alberta Learning allocations									
(1) Instruction block	\$13,556,475	\$1,050,181	\$12,546,294						
(2) Support block	\$1,392,055								
(3) Instruction & support block reallocations			\$120,712					\$864,147	
(4) Alberta Initiative for School Improvement (AISi)	\$305,640		\$305,640					\$0	
(5) Student Health Initiative (SHI)	\$26,463		\$26,463					\$0	
(6) SuperNet Access	\$0		\$0					\$0	
(7) Teacher Salary Enhancement (TSE)	\$562,000		\$562,000					\$0	
(8) Regional P.D. Consortium (8 boards only)	\$0							\$0	
(9) Regional Assessment Services (4 boards only)	\$273,289		\$273,289					\$0	
(10) Other Alberta Learning revenues	\$10,174,899	\$930,376	\$11,853,376	\$0	\$0			\$864,147	
(11) Total Alberta Learning Revenue					\$497,001				
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$59,812			\$59,812					
(13) Operations & Maintenance support	\$1,738,647			\$1,738,647					
(14) Operations & Maintenance support (One-Time)	\$104,135			\$104,135					
(15) Total Alberta Infrastructure Revenue									
(16) Alberta Finance	\$11,300	\$0	\$5,831	\$5,559	\$0			\$0	
(17) Other - Government of Alberta	\$0	\$0	\$99,881	\$0	\$0			\$0	
(18) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0			\$0	
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	
(22) Instruction resource fees	\$164,351	\$0	\$164,351						
(23) Transportation fees	\$0	\$0	\$0	\$34,897	\$0			\$4,518	
(24) Other sales and services	\$46,442	\$0	\$7,027	\$0	\$0			\$33,448	
(25) Investment income	\$33,446	\$0	\$0	\$0	\$0			\$0	
(26) Gifts and donations	\$4,150	\$0	\$4,150	\$0	\$0			\$0	
(27) Rentals of facilities	\$226,674	\$0	\$43,252	\$131,119	\$0			\$52,203	
(28) Net school generated funds	\$608,410	\$0	\$608,410	\$0	\$0			\$0	
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	
(30) Amortization of capital allocations	\$433,786	\$0	\$433,786	\$433,736	\$0			\$0	
(31) TOTAL REVENUES	\$19,880,515	\$930,376	\$14,786,277	\$2,082,447	\$497,001			\$994,414	\$0
EXPENSES									
(32) Certificated salaries	\$10,599,375	\$457,785	\$9,800,892					\$240,898	\$0
(33) Certificated benefits	\$1,270,853	\$81,786	\$1,189,701					\$19,364	\$0
(34) Uncertificated salaries and wages	\$3,172,381	\$252,321	\$1,659,224	\$902,840	\$0			\$290,416	\$358,196
(35) Uncertificated benefits	\$50,762	\$807,438	\$489,818	\$271,302	\$0			\$4,456	\$0
(36) SUB - TOTAL	\$15,850,047	\$842,656	\$13,199,635	\$1,124,002	\$0			\$611,518	\$653,754
(37) Services, contracts & supplies	\$3,319,685	\$87,720	\$1,533,839	\$904,258	\$497,001			\$253,808	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(39) Net school generated funds	\$608,410	\$0	\$608,910	\$0	\$0			\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$433,737	\$0	\$0	\$433,737	\$0			\$0	\$0
(41) Unsupported	\$21,037	\$0	\$0	\$21,037	\$0			\$0	\$0
(42) Total Amortization	\$454,774	\$0	\$0	\$454,774	\$0			\$0	\$0
Interest on capital debt									
(43) Supported	\$173,867	\$0	\$0	\$173,867	\$0			\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(45) Other interest charges	\$3,762	\$0	\$0	\$0	\$0			\$3,762	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(47) TOTAL EXPENSES	\$20,410,576	\$930,376	\$15,342,384	\$2,656,901	\$497,001			\$869,118	\$864,414
(48) Surplus/(deficit) before unrestricted revenues used for capital purposes	(\$530,061)	\$0	(\$556,107)	\$25,546	\$0			\$0	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Student Health Initiative	
Certificated salaries	\$7,382,237	\$1,023,093	\$167,206	\$923,613	\$183,782	\$220,961	\$0	\$9,900,892
Certificated benefits	\$884,007	\$101,869	\$17,370	\$122,464	\$19,712	\$24,279	\$0	\$1,169,701
Uncertificated salaries and wages	\$336,748	\$405,638	\$32,129	\$25,794	\$629,930	\$11,250	\$17,735	\$1,659,224
Uncertificated benefits	\$184,350	\$108,028	\$8,966	\$6,690	\$149,310	\$3,749	\$8,725	\$469,818
SUB - TOTAL REMUNERATION	\$8,987,342	\$1,638,628	\$225,671	\$1,078,561	\$992,734	\$260,239	\$26,460	\$13,195,635
Services, contracts & supplies	\$1,189,970	\$39,727	\$28,537	\$99,734	\$42,484	\$133,387	\$0	\$1,533,839
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$608,910							\$608,910
Amortization of capital assets								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Total Amortization	\$0	\$0	\$0					\$0
Interest on capital debt								
Supported	\$0	\$0	\$0					\$0
Unsupported	\$0	\$0	\$0					\$0
Other interest charges	\$0	\$0	\$0					\$0
Losses on disposal of capital assets	\$0	\$0	\$0					\$0
TOTAL EXPENSES	\$10,786,222	\$1,678,355	\$254,208	\$1,178,295	\$1,025,218	\$393,626	\$26,460	\$15,342,384
FTE Certificated				13.0	2.6			
FTE Uncertificated				1.6	27.8			

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction	\$11,201,635	\$1,064,879	\$668,670	\$120,712		\$11,535,346	\$13,055,896	\$1,520,550
School Admin & Instruction Support Expenses						\$1,678,355		(\$1,678,355)
System Instruction Support Expenses						\$254,208		(\$254,208)
Total Basic Instruction	\$11,201,635	\$1,064,879	\$668,670	\$120,712		\$13,467,909	\$13,055,896	(\$412,013)
Sub-Programs & Initiatives								
Severely Disabled	\$749,053	\$29,779	\$99,881		\$878,713	\$1,025,218		(\$146,505)
English as a Second Language	\$10,304				\$10,304	\$11,116		(\$812)
Enhanced Opportunities	\$48,960				\$48,960	\$47,205		\$1,755
First Nations, Metis, and Inuit Education	\$0		\$0		\$0	\$0		\$0
Institutional Programs	\$0				\$0	\$0		\$0
Sparsity & Distance	\$210,942				\$210,942	\$0		\$210,942
Growth & Density	\$9,478				\$9,478	\$0		\$9,478
Teacher Assistants Program	\$53,822				\$53,822	\$42,958		\$10,864
Early Literacy Initiative (K-2)	\$103,264				\$103,264	\$87,689		\$15,575
Learning Resources Credit & Resources for the Classroom	\$25,250	\$92,711	\$164,351		\$282,312	\$282,312		\$0
Technology Integration	\$109,032		\$0		\$109,032	\$255,301		(\$146,269)
French Language Program & Francisation (all jurisdictions)	\$23,554		\$0		\$23,554	\$122,676		(\$99,122)
Home Education	\$0		\$0		\$0	\$0		\$0
Total Sub-Programs & Initiatives	\$1,343,659	\$1,187,369	\$264,232		\$1,795,260	\$1,874,475		(\$144,094)
INSTRUCTION, GRADES 1-12	\$12,545,294	\$1,187,369	\$932,902	\$120,712	\$14,786,277	\$15,342,384		(\$556,107)

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1	
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration	
Total Revenues (Schedule A):	
Instruction Block - Grades ECS -12 (excluding technology integration)	\$13,486,443
Support Block - Transportation	\$497,908
SUBTOTAL	\$13,984,351
Other Revenues	
Alberta Infrastructure (Operations & Maintenance and Lease support)	\$1,738,647
Teacher Salary Enhancement	\$582,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$11,390
Federal government/First Nations	\$0
Other Alberta school authorities	\$99,881
Out of province local authorities	\$0
Alberta municipalities	\$0
Other sales and services	\$45,442
Interest on investments	\$33,446
Rentals of facilities	\$226,674
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$433,736
School generated funds (Schedule E)	\$711,685
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$17,868,252
STEP 2	
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses	
If "Total Net Enrolled Students" are 6,000 and over = 4%	5.75%
If "Total Net Enrolled Students" are 2,000 and less = 6%	
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.	
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.	
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.	
STEP 3	
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses	
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)	\$1,027,425
Considerations for Charter Schools and Small Boards:	
If Charter School, enter 51,000	0
If Francophone Board, enter 400,000	0
(If none of these considerations apply, leave the above cells blank)	
MAXIMUM EXPENSE LIMIT	\$1,027,425
STEP 4	
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)	
Actual Board Governance & System Administration expenses	\$984,414
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$984,414
Maximum Expense Limit for Board & System Administration (Step 3)	\$1,027,425
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT	-\$43,011

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$231,392
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$711,685	
Less: SGF - related cost recoveries (Note 3)	\$187,946	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$523,740	
Plus: Donations Received (Note 5)	\$137,380	
Equals: Net Additions to SGF		\$661,120
Net SGF Available for discretionary spending		\$892,512
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$608,410
Unexpended SGF - Closing Balance August 31, 2004		\$284,102
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$680,909	\$160,184	\$0	\$0	\$61,547	\$902,640		\$902,640
Uncertificated benefits	\$174,720	\$35,050	\$0	\$0	\$11,592	\$221,362		\$221,362
Sub-total Remuneration	\$855,629	\$195,234	\$0	\$0	\$73,139	\$1,124,002		\$1,124,002
Contracted Services		\$76,165	\$11,034	\$59,812	\$0	\$147,011		\$147,011
Supplies	\$91,425	\$223,051	\$0	\$0	\$0	\$314,476		\$314,476
Electricity			\$223,553			\$223,553		\$223,553
Natural Gas/Heating Fuel			\$89,542			\$89,542		\$89,542
Sewer and Water			\$56,004			\$56,004		\$56,004
Telecommunications			\$8,482			\$8,482		\$8,482
Insurance					\$65,190	\$65,190		\$65,190
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsuported							\$433,737	\$433,737
Total Amortization						\$21,037		\$21,037
Interest on capital debt								
Supported							\$433,737	\$454,774
Unsuported								
Other interest charges				\$0			\$173,867	\$173,867
Losses on disposal of capital assets						\$0	\$0	\$0
Cost recoveries & transfers						\$0	\$0	\$0
TOTAL EXPENSES	\$947,054	\$494,450	\$388,615	\$59,812	\$138,329	\$2,049,297	\$607,604	\$2,656,901
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	18.4	3.0						29,657.3
Contracted Services	0.0	0.0						3,080.7

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance:

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations.

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BORP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt.

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(i), 148, 151(1) and 276]

Medicine Hat School District No. 76

Legal Name of School Jurisdiction

601 First Avenue S.E. Medicine Hat, Alberta T1A 4Y7

Mailing Address

(403) 528-6728 and 529-5339

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules

Medicine Hat School District No. 76

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Gitta Hashizume

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

Linda Rossler

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Doug Pudwell

Name

"ORIGINAL SIGNED"

Signature

7-Dec-04

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
5th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jerry@gov.ab.ca
PHONE: (780) 427-7762 FAX: (780) 423-6996

AUDITORS' REPORT

TO THE BOARD OF TRUSTEES MEDICINE HAT SCHOOL DISTRICT NO. 76

We have audited the statement of financial position of the **Medicine Hat School District No. 76** as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles and ministerial requirements for Alberta school jurisdictions.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Johnston Morrison Hunter & Co. LLP
CHARTERED ACCOUNTANTS

MEDICINE HAT, ALBERTA
NOVEMBER 5, 2004

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

		2004	2003
ASSETS			
Current assets			
Cash and temporary investments		\$4,094,057	\$4,890,503
Accounts receivable (net after allowances)		\$3,435,475	\$2,521,292
Prepaid expenses		\$207,220	\$192,767
Other current assets		\$490,752	\$489,407
Total current assets		\$8,227,504	\$8,093,969
School generated assets		\$977,582	\$847,485
Trust assets		\$1,324,893	\$1,536,527
Long term accounts receivable		\$0	\$0
Long term investments		\$0	\$0
Capital assets			
Land		\$1,962,982	\$1,962,982
Buildings	\$46,679,077		
Less: accumulated amortization	(\$21,906,314)	\$24,772,763	\$25,771,340
Equipment	\$2,856,984		
Less: accumulated amortization	(\$1,688,282)	\$968,702	\$903,646
Vehicles	\$247,412		
Less: accumulated amortization	(\$206,010)	\$41,402	\$66,154
Total capital assets		\$27,745,849	\$28,704,322
TOTAL ASSETS		\$38,275,827	\$39,182,303
LIABILITIES			
Current liabilities			
Bank indebtedness		\$0	\$0
Accounts payable and accrued liabilities		\$934,717	\$2,144,592
Deferred revenue		\$1,789,096	\$926,535
Deferred capital allocations		\$728,146	\$793,372
Current portion of all long term debt		\$872,995	\$891,221
Total current liabilities		\$4,324,954	\$4,755,720
School generated liabilities		\$977,582	\$847,485
Trust liabilities		\$1,324,893	\$1,536,527
Employee future benefits liability		\$0	\$0
Long term debt			
Supported: Debentures and other supported debt		\$5,308,252	\$6,076,622
Less: Current portion of supported debt		(\$735,650)	(\$768,370)
Unsupported: Debentures and Capital Loans		\$0	\$0
Capital Leases		\$577,696	\$607,181
Mortgages		\$0	\$0
Less: Current portion of unsupported debt		(\$137,346)	(\$122,851)
Unamortized capital allocations		\$18,717,291	\$18,920,922
Total long term liabilities		\$26,032,718	\$27,097,516
TOTAL LIABILITIES		\$30,357,673	\$31,853,236
NET ASSETS			
Unrestricted net assets		\$573,442	\$266,590
Operating Reserves		\$2,773,586	\$2,492,677
Accumulated Operating Surplus (Deficit)		\$3,347,028	\$2,759,267
Investment in capital assets		\$3,142,440	\$3,099,600
Capital Reserves		\$1,428,686	\$1,470,200
Total Capital Funds		\$4,571,126	\$4,569,800
Total net assets		\$7,918,155	\$7,329,067
TOTAL LIABILITIES AND NET ASSETS		\$38,275,827	\$39,182,303

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$37,593,806	\$36,665,417	\$36,065,979
Alberta Infrastructure	\$4,642,657	\$4,983,358	\$5,110,505
Alberta Finance	\$562,318	\$587,705	\$677,547
Other Government of Alberta	\$232,465	\$108,394	\$127,098
Federal Government and/or First Nations	\$0	\$0	\$25,532
Other Alberta school authorities	\$47,510	\$43,412	\$67,560
Out of province authorities	\$110,408	\$0	\$141,488
Alberta Municipalities	\$12,500	\$12,511	\$11,220
Instruction resource fees	\$484,472	\$461,868	\$411,522
Transportation fees	\$0	\$0	\$0
Other sales and services	\$1,126,519	\$412,079	\$827,721
Investment income	\$170,596	\$150,867	\$163,247
Gifts and donations	\$90,886	\$95,000	\$205,331
Rentals of facilities	\$143,058	\$81,983	\$92,338
Net school generated funds	\$1,777,406	\$1,716,163	\$1,748,585
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$1,047,748	\$1,021,311	\$1,080,511
Total Revenues	\$48,042,350	\$46,340,088	\$46,756,184
EXPENSES			
Certificated salaries	\$24,819,051	\$23,749,833	\$24,284,301
Certificated benefits	\$3,052,617	\$3,663,161	\$3,198,301
Uncertificated salaries and wages	\$6,932,757	\$6,771,021	\$6,833,558
Uncertificated benefits	\$1,608,671	\$1,473,553	\$1,626,630
Services, contracts and supplies	\$7,322,921	\$7,083,483	\$7,097,669
Net school generated funds	\$1,777,406	\$1,716,163	\$1,748,585
Capital and debt services			
Amortization of capital assets			
Supported	\$1,047,748	\$1,021,311	\$1,080,511
Unsupported	\$268,745	\$206,842	\$254,449
Total Amortization of capital assets	\$1,316,493	\$1,228,153	\$1,334,960
Interest on capital debt			
Supported	\$562,318	\$587,705	\$677,546
Unsupported	\$57,382	\$58,416	\$62,883
Total Interest on capital debt	\$619,700	\$646,121	\$740,429
Other interest charges	\$3,646	\$8,600	\$2,761
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$47,453,262	\$46,340,088	\$46,867,194
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$589,088	\$0	(\$111,010)
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$589,088	\$0	(\$111,010)

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$589,088	(\$111,010)
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	(\$1,047,748)	(\$1,080,511)
Total amortization expense	\$1,316,493	\$1,334,960
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$914,183)	(\$1,502,326)
Prepays and other current assets	(\$15,798)	\$121,820
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	(\$1,209,875)	\$251,607
Deferred revenue	\$862,561	(\$394,874)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$419,462)	(\$1,380,334)
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	(\$75,747)	(\$2,545,625)
Equipment	(\$282,273)	(\$197,951)
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	(\$358,020)	(\$2,743,576)
C. FINANCING ACTIVITIES		
Capital allocations received	\$10,521	\$1,055,308
Issue of long term debt	\$118,710	\$69,100
Repayment of long term debt	(\$916,565)	(\$1,019,387)
Add back: supported portion	\$768,370	\$900,626
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	(\$18,964)	\$1,005,647
Net sources (uses) of cash equivalents* during year	(\$796,446)	(\$3,118,263)
Cash Equivalents at the beginning of the year	\$4,890,503	\$8,008,766
Cash Equivalents at the end of the year	\$4,094,057	\$4,890,503

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004

(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(14)									
					(5)			(6)		(7)		(8)		(9)		(10)		(11)	(12)	(13)				
					School Based		Unsupp Operating Reserves	Unsupp Capital Reserves	Infrastructure		Unsupp O & M Operating Reserves	Unsupp Capital Reserves	Board & System Admin.			Unsupp Operating Reserves	Unsupp Capital Reserves				Transportation		Unsupp Operating Reserves	Unsupp Capital Reserves
Balance at August 31, 2003	\$7,329,067	\$3,099,600	\$266,590	\$3,862,877	\$115,414	\$786,999	\$15,314	\$114,740	\$630,079	\$558,461	\$1,414,954	\$0	\$316,916	\$0										
Prior period adjustments (describe)																								
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adjusted Balance, Aug 31, 2003	\$7,329,067	\$3,099,600	\$266,590	\$3,862,877	\$115,414	\$786,999	\$15,314	\$114,740	\$630,079	\$558,461	\$1,414,954	\$0	\$316,916	\$0										
Surplus(def) of revenue over expenses	\$589,088																							
Board funded capital transactions		\$163,563	(\$163,563)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Donations of non-amortizable assets	\$0	\$0																						
Amortization of capital assets		(\$1,316,403)	\$1,316,403																					
Amortization of capital allocations		\$1,047,748	(\$1,047,748)																					
Disposal of unsupported capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Debt principal payments (unsupported)		\$148,022	(\$148,022)																					
Net transfers to operating reserves			(\$295,543)	\$295,543	\$159,414		\$0		\$0															
Net transfers from operating reserves			\$14,634	(\$14,634)	\$0		(\$4,099)																	
Net transfers to capital reserves			\$41,514	(\$41,514)		(\$23,831)		\$81,280		(\$98,953)		\$0												
Net transfers from capital reserves			\$0	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0
Balance at August 31, 2004	\$7,918,155	\$3,142,440	\$573,442	\$4,202,272	\$274,828	\$773,168	\$11,215	\$196,020	\$619,544	\$459,498	\$1,414,954	\$0	\$453,045	\$0										

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$793,372	\$18,920,922
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$10,521	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$768,370
Expended capital allocations - current year	(\$75,747)	\$75,747
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$1,047,748
Balance at August 31, 2004	\$728,146	\$18,717,291

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

MEDICINE HAT SCHOOL DISTRICT NO. 76

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004**

NOTE 1 AUTHORITY AND PURPOSE

Medicine Hat School District No. 76 delivers education programs under the authority of the School Act, Revised Statutes of Alberta 2000, Chapter S-3. The jurisdiction is exempt from payment of income tax under Section 149 of the Income Tax Act.

The jurisdiction receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. Medicine Hat School District No. 76 is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) REVENUE RECOGNITION

Instruction and Support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions of materials and services that would otherwise have been purchased are recorded at fair market value when a fair market value can be reasonably determined.

Interest earned on trust assets and liabilities is recorded as direct increases in trust assets and liabilities.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

Externally restricted capital allocations from the province or other agencies are recorded as deferred capital allocations until the amount is invested in capital assets. Amounts invested representing funded capital assets are then transferred to unamortized capital allocations. Unamortized capital allocations are recognized as amortization of capital allocations revenue in the periods which the related amortization expense of the funded capital asset is recorded.

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) PREPAID EXPENSES

Certain expenses incurred and paid before the close of the school year are for specific school supplies, and insurance, which will be consumed subsequent to the year-end, and are accordingly recorded as prepaid expenses.

(c) INVENTORIES

Inventories are valued at the lower of cost (cost determined on an average basis) and net realizable value.

(d) SCHOOL GENERATED FUNDS

These are funds raised in the community, which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenses paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.)

(e) TRUST ASSETS

Trust assets are recorded at cost unless there has been an other than temporary decline in value. At that time, the asset cost is reduced to reflect the fair market value.

(f) CAPITAL ASSETS

Capital assets are recorded at cost. Donated assets are recorded at fair market value at the time of the donation. Amortization is recorded on a straight-line basis over the assets' useful lives, at the following rates:

Buildings	40 years
Equipment	5- 10 years
Vehicles	5 years

Only capital assets with costs in excess of \$5,000 are capitalized. Any capital allocations received for asset additions are amortized over the same period as the related asset.

(g) VACATION PAY

Vacation pay is accrued in the period in which the employee earns the benefit.

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) PENSIONS

Pension costs included in these statements comprise the cost of employer contributions for current service of employees during the year.

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the jurisdiction does not make pension contributions for certified staff.

The school board participates in the multi-employer pension plan, Local Authorities Pension Plan. The expense for this pension plan is equivalent to the annual contributions of \$248,474 (2003- \$216,267) for the year ended August 31, 2004. The jurisdiction's portion of the pension plan's deficit or surplus is not recorded by the jurisdiction.

(i) CONTRIBUTED SERVICES

Volunteers contribute a considerable number of hours per year to various schools, which are within the school board to ensure that certain programs are delivered, such as kindergarten, lunch services and the raising of school generated funds. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

(j) FINANCIAL INSTRUMENTS

The jurisdiction's financial instruments consist of cash and temporary investments, accounts receivable, trust assets, accounts payable, accrued liabilities, trust liabilities, and long-term debt. It is management's opinion that the jurisdiction is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

(k) OPERATING AND CAPITAL RESERVES

Reserves are established at the discretion of the Board of Trustees of the jurisdiction, to set aside funds for operating and for future capital expenses. Such reserves are appropriations of accumulated operating surplus.

(l) EMPLOYEE FUTURE BENEFITS

The jurisdiction accounted for the future cost of employee benefits commencing in the 2000/2001 school year using the retroactive approach. There is no financial impact on the jurisdiction at this time.

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 3 ACCOUNTS RECEIVABLE

	2004	2003
	\$	\$
Alberta Infrastructure	2,611,272	1,729,682
Alberta Learning	397,355	171,963
Alberta Finance	162,897	201,278
Federal government	77,714	81,685
Medicine Hat College	24,567	52,573
Medicine Hat Public Schools' Education Foundation	12,209	-
Alberta municipalities	-	2,289
Other	116,756	152,746
	<u>3,402,770</u>	<u>2,392,216</u>
Deferred salary leave plan	<u>32,705</u>	<u>129,076</u>
	<u>3,435,475</u>	<u>2,521,292</u>

NOTE 4 OTHER CURRENT ASSETS

	2004	2003
	\$	\$
Inventories	464,623	489,387
Deferred charge - Capital Plan	26,109	-
Alberta Capital Finance Authority share	<u>20</u>	<u>20</u>
	<u>490,752</u>	<u>489,407</u>

NOTE 5 CAPITAL ASSETS

Included in capital assets are assets under capital leases as follows:

	COST	ACCUMULATED AMORTIZATION	NET BOOK VALUE	
			2004	2003
	\$	\$	\$	\$
Equipment	<u>1,331,619</u>	<u>1,001,240</u>	<u>330,379</u>	<u>358,720</u>

Capital assets - equipment includes \$153,572 at August 31, 2004 (2003 - nil) of work in progress that is not being amortized.

NOTE 6 BANK INDEBTEDNESS

The jurisdiction has negotiated a line of credit in the amount of \$2,000,000 that bears interest at bank prime rate less 0.25%. This line of credit, which is secured by a borrowing bylaw and a security agreement, covers all revenue of the jurisdiction. There was no balance outstanding on the line of credit at August 31, 2004 (2003 - nil).

MEDICINE HAT SCHOOL DISTRICT NO. 76

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2003**

NOTE 7 DEFERRED REVENUE

	2004	2003
	\$	\$
Parents As Teachers	24,363	39,127
Maintenance and Operations	644,722	358,933
Resources and Learning for Classrooms	-	116,961
Transportation	410,601	-
Building Quality Restoration Program	422,510	271,024
Earl Kitchener Capital Rent	95,802	-
Technology	70,675	-
Alberta Initiative for School Improvement	80,099	57,072
Non-resident student tuition	32,000	50,315
Chamber of Commerce grant	-	25,886
Other	<u>8,324</u>	<u>7,217</u>
	<u>1,789,096</u>	<u>926,535</u>

NOTE 8 DEFERRED CAPITAL ALLOCATIONS

Deferred capital allocations represent externally-restricted supported capital funds provided for a specific capital purpose that have been received or are receivable by the jurisdictions, but the related expenditure has not yet been made at year-end. These unspent deferred capital allocations are not amortized until the expenditure has been made and it is at that time that the balance is transferred to the unamortized capital allocations account.

	2004	2003
	\$	\$
Balance, beginning of year	793,372	2,182,329
Allocations received and receivable	-	1,006,661
Interest earned on capital allocations	10,521	48,647
Transfers to unamortized capital allocations (Note 11)	<u>(75,747)</u>	<u>(2,444,265)</u>
Balance, end of year	<u>728,146</u>	<u>793,372</u>

NOTE 9 SCHOOL GENERATED ASSETS AND LIABILITIES

	2004	2003
	\$	\$
Balance, beginning of year	<u>847,485</u>	<u>769,736</u>
Source of School Generated Funds (SGF)		
SGF for the year	2,086,125	2,089,246
Costs of generating SGF	<u>(178,622)</u>	<u>(262,912)</u>
Net SGF available for the year	<u>1,907,503</u>	<u>1,826,334</u>
Application of Net SGF	2,754,988	2,596,070
Net SGF expended for the year	<u>(1,777,406)</u>	<u>(1,748,585)</u>
Balance, end of year	<u>977,582</u>	<u>847,485</u>

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 10 TRUST ASSETS AND LIABILITIES

These balances represent cash, investments and other assets that are held by the jurisdiction for the following areas:

	MARKET VALUE	COST 2004	COST 2003
	\$	\$	\$
Endowment funds for scholarships			
Cash	187,610	187,610	280,298
GIC – effective interest rates of 3.50% - 7.50%, due March 2005 – June 2011	1,016,223	975,056	960,885
Interest receivable	- -	- -	13,335
Stocks	211,526	158,727	149,433
Mineral rights	3,500	3,500	3,500
	<u>1,418,859</u>	<u>1,324,893</u>	<u>1,407,451</u>

Market value as advised by an independent source.

NOTE 11 LONG-TERM DEBT

	2004	2003
	\$	\$
Debenture Debt - Alberta Capital Finance Authority 6.88% to 12.00%, due October 2004 to March 2015	5,308,252	6,076,622
Obligations Under Capital Lease 9.33% to 10.90%, due October 2004 to September 2009	<u>577,696</u> 5,885,948	<u>607,181</u> 6,683,803
Portion repayable within one year	(872,996)	(891,221)
	<u>5,012,952</u>	<u>5,792,582</u>

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 11 LONG-TERM DEBT (CONTINUED)

The debenture debt is fully supported by Alberta Learning. The current portion of long-term debt consists of \$735,650 payable to Alberta Capital Finance Authority on supported debt. Therefore the working capital (current assets less current liabilities) is understated by this amount. Approximate principal repayments of long term debt are as follows:

	\$
2005	872,996
2006	845,566
2007	783,121
2008	720,887
2009	582,265
2010 and on	<u>2,081,113</u>
	<u>5,885,948</u>

Approximate repayments of obligations under capital lease are as follows:

	PRINCIPAL \$	INTEREST \$	TOTAL \$
2005	137,346	57,555	194,901
2006	151,016	43,885	194,901
2007	142,831	27,855	170,686
2008	121,175	13,716	134,891
2009	11,955	3,003	14,958
2010	<u>13,373</u>	<u>1,586</u>	<u>14,959</u>
	<u>577,696</u>	<u>147,600</u>	<u>725,296</u>

NOTE 12 UNAMORTIZED CAPITAL ALLOCATIONS

Unamortized capital allocations represent externally-restricted supported capital funds that have been spent, but have yet to be amortized over the useful life of the applicable asset to which the restricted capital allocations apply. The unamortized capital allocations account balance is increased by transfers of previously deferred capital allocations now spent, as well as fully-supported debentured capital funds, as the principal is repaid. Details of the changes are as follows:

	2004 \$	2003 \$
Balance, beginning of year	18,920,922	16,656,542
Supported debenture principal repayments	768,370	900,626
Transfer from deferred capital allocations (Note 7)	75,747	2,444,265
Capital allocation revenue	<u>(1,047,748)</u>	<u>(1,080,511)</u>
Balance, end of year	<u>18,717,291</u>	<u>18,920,922</u>

MEDICINE HAT SCHOOL DISTRICT NO. 76

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004**

NOTE 13 SUPPLEMENTAL CASH FLOW INFORMATION

	2004	2003
	\$	\$
Interest paid	<u>619,700</u>	<u>740,053</u>

NOTE 14 OPERATING AND CAPITAL RESERVES

Net assets may be restricted by authorization of the Board of Trustees for future capital expenses and future operating expenses. The amounts are established and expended in accordance with terms and conditions established by the board.

NOTE 15 RELATED PARTY TRANSACTIONS

During the year, the jurisdiction entered into transactions with related parties.

The following transactions are recorded at the exchange amount which represents the amount of consideration paid or received as established and agreed to by related parties:

a) ALBERTA GOVERNMENT DEPARTMENTS

	RECEIVED & RECEIVABLE	DEFERRED NET	REVENUE 2004	REVENUE 2003
	\$	\$	\$	\$
Alberta Learning	38,098,109	(504,303)	37,593,806	36,065,979
Alberta Infrastructure	5,079,932	(437,275)	4,642,657	5,110,505
Alberta Capital Finance	562,318	- -	562,318	677,547
Other Alberta Government	<u>217,701</u>	<u>14,764</u>	<u>232,465</u>	<u>127,098</u>
	<u>43,958,060</u>	<u>(926,814)</u>	<u>43,031,246</u>	<u>41,981,129</u>

The school jurisdiction paid \$1,356,075 (2003 - \$1,578,173) in principal and interest on debenture debt to the Alberta Capital Finance Authority.

b) OTHER ALBERTA SCHOOL JURISDICTIONS

The school jurisdiction received \$39,833 (2003 - \$41,939) for maintaining school grounds for the Medicine Hat Catholic Separate Regional Division No. 20.

The school jurisdiction received \$294,800 (2003 - \$294,800) for maintaining school grounds for the Medicine Hat College.

MEDICINE HAT SCHOOL DISTRICT NO. 76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2004

NOTE 15 RELATED PARTY TRANSACTIONS (CONTINUED)

c) MEDICINE HAT PUBLIC SCHOOL'S EDUCATION FOUNDATION

The jurisdiction has an economic interest in the Medicine Hat Public School's Education Foundation. The Medicine Hat Public School's Education Foundation is a registered public foundation and charity created to solicit, receive and administer funds and property donated for the advancement of Medicine Hat School District No.76. The Foundation is exempt from payment of income tax under Section 149 of the Income Tax Act.

	2004	2003
	\$	\$
Revenue acquired by the Foundation on behalf of the school jurisdiction	46,376	106,911
Operating funds expended to earn revenue on behalf of the school jurisdiction	<u>25,086</u>	<u>48,409</u>
	<u>21,290</u>	<u>58,502</u>

In addition, the school jurisdiction provides certain administrative services and occupancy at no cost to the Foundation.

NOTE 16 CONTINGENCIES

- The jurisdiction is a member of an Urban School Insurance Consortium. A portion of the premiums paid each year represents equity contributions to the insurance fund. These payments have been recorded as expenses in the financial statements as the value of equity is subject to liability claims and is not an asset that the jurisdiction can liquidate.
- The jurisdiction is contingently liable for corporate credit cards issued with a combined authorized credit limit of \$1,240,600 (2003 - \$1,240,600).

NOTE 17 COMMITMENTS

The jurisdiction is committed under leases for certain equipment expiring from September 2005 to September 2010.

Minimum annual lease payments are as follows:

2005	137,346
2006	151,016
2007	142,831
2008	121,175
2009	11,955
2010	13,373

NOTE 18 BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the Board of Trustees. It is presented for information purposes only and has not been audited.

MEDICINE HAT SCHOOL DISTRICT NO. 76

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2004**

NOTE 19 COMPARATIVE FIGURES

The comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.

NOTE 20 APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Trustees.

**SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004**

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$32,008,349	\$2,520,308	\$30,088,043						
(2) Support block	\$2,466,927				\$650,132			\$1,516,794	\$0
(3) Instruction & support block reallocations	\$0				\$0				\$0
(4) Alberta Initiative for School Improvement (AISi)	\$786,530		\$873,084						\$0
(5) Student Health Initiative (SHI)	\$300,000	\$0	\$768,530						\$0
(6) Supplement Access	\$0		\$300,000						\$0
(7) Teacher Salary Enhancement (TSE)	\$1,454,000	\$40,251	\$1,413,749						\$0
(8) Regional P.D. Consortium (6 boards only)	\$0								\$0
(9) Regional Assessment Services (4 boards only)	\$0								\$0
(10) Other Alberta Learning revenues	\$0								\$0
(11) Total Alberta Learning Revenue	\$37,593,800	\$1,687,463	\$33,439,416	\$0	\$650,132			\$1,516,794	\$0
Alberta Infrastructure									
(12) Expensed IMP (BOP) support & portable relocations	\$365,301			\$365,301					
(13) Operations & Maintenance support	\$4,277,356			\$4,277,356					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$4,642,657			\$4,642,657					
(16) Alberta Finance	\$562,318			\$562,318					\$220,533
(17) Other - Government of Alberta	\$232,465	\$0	\$1,932	\$0	\$0			\$10,000	\$0
(18) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$47,510	\$0	\$7,877	\$39,633	\$0			\$0	\$0
(20) Out of province authorities	\$110,408	\$0	\$110,408	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$12,500	\$0	\$0	\$0	\$0			\$0	\$12,500
(22) Instruction resource fees	\$484,472	\$28,880	\$455,592						
(23) Transportation fees	\$0	\$0			\$0				
(24) Other sales and services	\$1,126,519	\$0	\$353,635	\$20,823	\$0			\$71,222	\$731,244
(25) Investment income	\$170,560	\$0	\$137,586	\$2,500	\$3,500			\$28,722	\$289
(26) Gifts and donations	\$60,880	\$0	\$65,000	\$0	\$0				\$25,886
(27) Rentals of facilities	\$143,058	\$8,891	\$8,891	\$129,541	\$0			\$4,626	\$0
(28) Net school generated funds	\$1,777,406	\$0	\$1,777,406	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$1,047,748	\$0	\$0	\$1,047,748	\$0			\$0	\$0
(31) TOTAL REVENUES	\$48,042,350	\$1,716,343	\$36,357,538	\$5,445,221	\$653,632			\$1,578,164	\$980,452
EXPENSES									
(32) Certificated salaries	\$24,818,051	\$791,082	\$23,067,078					\$342,534	\$17,777
(33) Certificated benefits	\$3,052,817	\$95,228	\$2,927,836					\$32,709	\$1,843
(34) Uncertificated salaries and wages	\$6,932,757	\$339,830	\$3,188,307	\$2,191,167	\$37,500	\$77,877		\$477,880	\$620,096
(35) Uncertificated benefits	\$1,608,671	\$86,206	\$811,417	\$529,097	\$7,000	\$2,385		\$105,676	\$66,890
(36) SUB - TOTAL	\$38,413,095	\$1,316,325	\$30,980,239	\$2,720,264	\$44,500	\$80,261		\$952,869	\$708,607
(37) Services, contracts & supplies	\$7,322,971	\$401,018	\$3,304,480	\$2,044,238	\$868,133	\$31,057		\$513,740	\$119,215
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(39) Net school generated funds	\$1,777,406	\$0	\$1,777,406	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$1,047,748	\$0	\$0	\$1,047,748	\$0			\$0	\$0
(41) Unsupported	\$268,745	\$0	\$164,536	\$108,853	\$0	\$0		\$7,096	\$26,460
(42) Total Amortization	\$1,316,493	\$0	\$164,536	\$1,118,401	\$0	\$0		\$7,096	\$26,460
Interest on capital debt									
(43) Supported	\$462,318	\$0	\$0	\$462,318	\$0	\$0		\$0	\$0
(44) Unsupported	\$57,362	\$0	\$57,362	\$0	\$0	\$0		\$0	\$0
(45) Other interest charges	\$3,640	\$0	\$0	\$0	\$0	\$0		\$3,640	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(47) TOTAL EXPENSES	\$47,452,262	\$1,716,344	\$35,894,044	\$6,445,221	\$653,632	\$111,319		\$1,478,381	\$854,322
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$486,088	\$0	\$463,494	\$0	\$0	\$0		\$0	\$136,129
(49) TOTAL	\$48,042,350	\$1,716,343	\$36,357,538	\$5,445,221	\$653,632	\$111,319		\$1,478,381	\$854,322
(50) Net Surplus/Deficit	\$1,589,088	\$0	\$1,463,494	\$0	\$0	\$0		\$0	\$136,129

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Total Instruction (Grades 1 to 12)
Certificated salaries	\$16,986,919	\$2,744,334	\$0	\$2,191,076	\$1,260,712	\$484,636	\$23,667,678
Certificated benefits	\$2,159,974	\$284,977	\$0	\$270,806	\$155,818	\$51,263	\$2,922,838
Uncertificated salaries and wages	\$588,319	\$1,373,550	\$0	\$340,556	\$829,180	\$56,701	\$3,188,307
Uncertificated benefits	\$189,566	\$334,489	\$0	\$79,884	\$194,499	\$12,979	\$811,417
SUB - TOTAL REMUNERATION	\$19,924,779	\$4,737,350	\$0	\$2,882,322	\$2,440,210	\$605,578	\$30,590,239
Services, contracts & supplies	\$2,111,372	\$543,515	\$0	\$86,430	\$102,211	\$160,952	\$3,304,480
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$1,777,406	\$0	\$0	\$0	\$0	\$0	\$1,777,406
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Un-supported	\$145,097	\$19,439	\$0	\$0	\$0	\$0	\$164,536
Total Amortization	\$145,097	\$19,439	\$0	\$0	\$0	\$0	\$164,536
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Un-supported	\$57,382	\$0	\$0	\$0	\$0	\$0	\$57,382
Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$24,016,037	\$5,300,304	\$0	\$2,968,752	\$2,542,421	\$766,530	\$35,894,044
FTE Certificated				32.5	18.7		
FTE Uncertificated				18.4	44.8		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction	\$27,184,695	\$2,480,279	\$2,462,529	\$873,094		\$25,631,612	\$33,000,598	\$7,368,986
School Admin & Instruction Support Expenses						\$5,300,304		(\$5,300,304)
System Instruction Support Expenses						\$0		\$0
Total Basic Instruction	\$27,184,695	\$2,480,279	\$2,462,529	\$873,094		\$30,931,916	\$33,000,598	\$2,068,682
Sub-Programs & Initiatives								
Severely Disabled	\$1,716,911	\$0	\$0			\$2,542,421	\$1,716,911	(\$825,511)
English as a Second Language	\$29,440					\$45,850	\$29,440	(\$16,410)
Enhanced Opportunities	\$20,400					\$20,400	\$20,400	\$0
First Nations, Metis, and Inuit Education	\$108,140		\$0			\$81,617	\$108,140	\$26,523
Institutional Programs	\$292,265					\$292,265	\$292,265	\$0
Sparity & Distance	\$0					\$0	\$0	\$0
Growth & Density	\$0					\$0	\$0	\$0
Teacher Assistants Program	\$115,418					\$115,418	\$115,418	\$0
Early Literacy Initiative (K-2)	\$200,256					\$330,250	\$200,256	(\$129,994)
Learning Resources Credit & Resources for the Classroom	\$130,017	\$0	\$455,592			\$585,609	\$585,609	(\$0)
Technology Integration	\$221,785		\$0			\$221,785	\$221,785	\$0
French Language Program & Francisation (all jurisdictions)	\$61,001		\$0			\$720,798	\$61,001	(\$659,797)
Home Education	\$5,715		\$0			\$5,715	\$5,715	\$0
Total Sub-Programs & Initiatives	\$2,901,348		\$455,592			\$4,982,128	\$3,356,940	(\$1,605,189)
INSTRUCTION, GRADES 1-12	\$30,086,043	\$2,480,279	\$2,918,121	\$873,094		\$35,357,538	\$35,357,538	\$463,494

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1

Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration

Total Revenues (Schedule A):

Instruction Block - Grades ECS -12 (excluding technology integration)	\$32,384,564
Support Block - Transportation	\$950,132
SUBTOTAL	\$33,334,697

Other Revenues

Alberta Infrastructure (Operations & Maintenance and Lease support)	\$4,277,356
Teacher Salary Enhancement	\$1,454,000
Other Alberta Learning revenues (Describe)	\$0
Other - Government of Alberta (Excluding Alberta Finance)	\$232,465
Federal government/First Nations	\$0
Other Alberta school authorities	\$47,510
Out of province local authorities	\$110,408
Alberta municipalities	\$12,500
Other sales and services	\$1,126,519
Interest on investments	\$170,596
Rentals of facilities	\$143,058
Gains on disposal of capital assets	\$0
Amortization of capital allocations	\$1,047,748

School generated funds (Schedule E)

	\$2,086,125
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT	\$44,042,982

STEP 2

Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses

If "Total Net Enrolled Students" are 6,000 and over = 4%

4.00%

If "Total Net Enrolled Students" are 2,000 and less = 6%

The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.

EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.

Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.

STEP 3

Calculate maximum expense limit AMOUNTS for Board and System Administration expenses

Maximum Expense Limit percentage (Step 2) x Base Total (Step 1) \$1,761,719

Considerations for Charter Schools and Small Boards:

If Charter School, enter 51,000	0	\$0
If Francophone Board, enter 400,000	0	\$0

(If none of these considerations apply, leave the above cells blank)

MAXIMUM EXPENSE LIMIT \$1,761,719

STEP 4

Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)

Actual Board Governance & System Administration expenses	\$1,589,699
PLUS: transfers to Restricted - Operating (Board/System Administration)	\$0
LESS: transfers from Restricted - Operating (Board/System Administration)	-\$10,535
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES	\$1,579,164

Maximum Expense Limit for Board & System Administration (Step 3) \$1,761,719

ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT -\$182,555

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$847,485
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$2,086,125	
Less: SGF - related cost recoveries (Note 3)	\$178,622	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$1,907,503	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		\$1,907,503
Net SGF Available for discretionary spending		\$2,754,988
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$1,777,406
Unexpended SGF - Closing Balance August 31, 2004		\$977,582

Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap.

Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries.

Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF.

Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses.

Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$1,603,675	\$504,736	\$0	\$0	\$82,755	\$2,191,167		\$2,191,167
Uncertificated benefits	\$427,143	\$86,861	\$0	\$0	\$15,093	\$529,097		\$529,097
Sub-total Remuneration	\$2,030,819	\$591,597	\$0	\$0	\$97,848	\$2,720,264		\$2,720,264
Contracted Services	\$3,493	\$298,333	\$0	\$365,301	\$0	\$667,127		\$667,127
Supplies	\$130,270	\$267,023	\$0	\$0	\$0	\$397,292		\$397,292
Electricity			\$518,477			\$518,477		\$518,477
Natural Gas/Heating Fuel			\$24,380			\$24,380		\$24,380
Sewer and Water			\$392,880			\$392,880		\$392,880
Telecommunications			\$10,238			\$10,238		\$10,238
Insurance					\$33,843	\$33,843		\$33,843
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$1,047,748	\$1,047,748
Unsupported								
Total Amortization								
Interest on capital debt								
Supported							\$70,653	\$70,653
Unsupported							\$70,653	\$70,653
Other interest charges								
Losses on disposal of capital assets								
Cost recoveries & transfers								
TOTAL EXPENSES	\$2,164,581	\$1,156,953	\$945,975	\$365,301	\$131,691	\$4,835,155	\$1,610,066	\$6,445,221
SQUARE METRES								
School Buildings								92,834.0
Non School Buildings								2,948.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	45.3	7.1						
Contracted Services	0.0	0.0						

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

Utilities & Telecommunications: All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

Expensed IMP & Portable Relocations: All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

Facility Planning & Operations Maintenance: All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations

Supported Capital & Debt Services: All expenses related to supported capital assets amortization and interest on supported capital debt

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

[illegible]

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIP's/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Moberly Hall School Society

Legal Name of School Jurisdiction

194B Grenfell Crescent, Fort McMurray, AB T9H 2M6

Mailing Address

Phone: (780) 743-8409 Fax: (780) 743-9407

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules _____ Moberly Hall School Society
(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

RICK FIEDOSIEWICH

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

LYNN CORCORAN

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

TERRI PINKSEN

Name

"ORIGINAL SIGNED"

Signature

DRAFT&UNAUDITED Dec 3 submission

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Briscoe & Briscoe

Professional Corporation

Norman R. Briscoe, C.G.A., FICB
Diane J. Briscoe, C.G.A. (Retired)

CERTIFIED GENERAL ACCOUNTANTS

P.O. Box 1778
St. Paul, Alberta, T0A 3A0
Telephone: (780)645-7770
Fax: (780)645-7755
E-mail: dnbriscoe@telus.net

AUDITORS' REPORT

To the Board of Trustees:
Moberly Hall School Society

We have audited the statement of financial position of Moberly Hall School Society as at August 31, 2004 and the statements of revenue and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance Canadian with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Moberly Hall School Society as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with the Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Original signed by:
"Briscoe & Briscoe"
Certified General Accountants

St Paul, Alberta
November 29, 2004

STATEMENT OF FINANCIAL POSITION
as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$168,366	\$257,172
Accounts receivable (net after allowances)	\$222,153	\$24,395
Prepaid expenses	\$0	\$0
Other current assets	\$6,924	\$0
Total current assets	\$397,443	\$281,567
School generated assets	\$0	\$0
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Less: accumulated amortization	\$0	\$0
Equipment	\$11,874	\$0
Less: accumulated amortization	(\$11,026)	\$848
Vehicles	\$0	\$2,007
Less: accumulated amortization	\$0	\$0
Total capital assets	\$848	\$2,007
TOTAL ASSETS	\$398,291	\$283,574
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$125,178	\$39,350
Deferred revenue	\$25,217	\$27,660
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$150,395	\$67,010
School generated liabilities	\$0	\$0
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$0	\$0
Total long term liabilities	\$0	\$0
TOTAL LIABILITIES	\$150,395	\$67,010
NET ASSETS		
Unrestricted net assets	\$247,048	\$214,557
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$247,048	\$214,557
Investment in capital assets	\$848	\$2,007
Capital Reserves	\$0	\$0
Total Capital Funds	\$848	\$2,007
Total net assets	\$247,896	\$216,564
TOTAL LIABILITIES AND NET ASSETS	\$398,291	\$283,574

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$566,668	\$589,311	\$527,620
Alberta Infrastructure	\$269,384	\$125,000	\$83,366
Alberta Finance	\$3,143	\$7,911	\$0
Other Government of Alberta	\$0	\$0	\$0
Federal Government and/or First Nations	\$0	\$0	\$0
Other Alberta school authorities	\$0	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$4,425	\$4,650	\$4,670
Transportation fees	\$15,560	\$21,600	\$13,347
Other sales and services	\$1,471	\$0	\$988
Investment income	\$2,435	\$2,500	\$1,073
Gifts and donations	\$600	\$0	\$0
Rentals of facilities	\$5,375	\$5,000	\$6,428
Net school generated funds	\$0	\$0	\$0
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
Total Revenues	\$869,061	\$755,972	\$637,492
EXPENSES			
Certificated salaries	\$380,649	\$385,000	\$365,801
Certificated benefits	\$25,500	\$50,000	\$26,268
Uncertificated salaries and wages	\$52,410	\$60,000	\$51,865
Uncertificated benefits	\$3,781	\$8,000	\$3,548
Services, contracts and supplies	\$374,230	\$252,867	\$154,425
Net school generated funds	\$0	\$0	\$0
Capital and debt services			
Amortization of capital assets			
Supported	\$0	\$0	\$0
Unsupported	\$609	\$860	\$860
Total Amortization of capital assets	\$609	\$860	\$860
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$321
Losses on disposal of capital assets	\$550	\$0	\$0
Total Expenses	\$837,729	\$756,727	\$603,088
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM	\$31,332	(\$755)	\$34,404
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$31,332	(\$755)	\$34,404

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS

for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$31,332	\$34,404
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	\$0	\$0
Total amortization expense	\$609	\$860
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$550	\$0
Changes in accrued accounts:		
Accounts receivable	(\$197,758)	(\$24,395)
Prepays and other current assets	(\$6,924)	\$23,831
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$85,828	\$34,289
Deferred revenue	(\$2,443)	(\$4,011)
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	(\$88,806)	\$64,978
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Investing activities	\$0	\$0
C. FINANCING ACTIVITIES		
Capital allocations received	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$0	\$0
Net sources (uses) of cash equivalents* during year	(\$88,806)	\$64,978
Cash Equivalents at the beginning of the year	\$257,172	\$192,194
Cash Equivalents at the end of the year	\$168,366	\$257,172

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS (Columns 5 to 14)	(4) TOTAL RESTRICTED NET ASSETS	(8) RESTRICTED NET ASSETS								(14) Unrestricted Capital Reserves		
					(5) School Based		(6) Infrastructure		(8) Board & System Admin		(11) Transportation			(13) External Services	
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves		Unrestricted Operating Reserves	Unrestricted Capital Reserves
Balance at August 31, 2003	\$216,564	\$2,007	\$214,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior period adjustments (decrease)															
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$216,564	\$2,007	\$214,557	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Surplus(def) of revenue over expenses	\$31,332		\$31,332												
Board funded capital transactions		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0													
Amortization of capital assets		(\$809)	\$809												
Amortization of capital allocations		\$0	\$0												
Disposal of unsupported capital assets		(\$550)	\$550	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of supported capital assets-unsupported portion	\$0	\$0	\$0												
Debt principal payments (unsupported)		\$0	\$0												
Net transfers to operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0		
Net transfers from operating reserves			\$0	\$0	\$0		\$0		\$0		\$0		\$0		
Net transfers to capital reserves			\$0	\$0									\$0	\$0	
Net transfers from capital reserves			\$0	\$0									\$0	\$0	
Balance at August 31, 2004	\$247,896	\$648	\$247,048	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)
for the Year Ended August 31, 2004
(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$0
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	\$0	\$0
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$0
Balance at August 31, 2004	\$0	\$0

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

MOBERLY HALL SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2004

1. AUTHORITY AND PURPOSE

Moberly Hall School Society delivers education programs under the authority of the *School Act*, Revised Statutes of Alberta, Chapter S-3.

The School Society receives block allocations for instruction and support under Regulation 77/2003. The regulation allows for the setting of conditions and use of grant monies. The school is limited on administration expenses and is permitted to reallocate funding within the Alberta Learning instruction and support block areas.

Moberly Hall School Society is incorporated under the Alberta Society's Act. as a non-profit organization.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependent on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations, which have been made using careful judgement. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below:

a) Revenue Recognition

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received or receivable. Contributions in kind are recorded at fair market value when reasonably determinable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

b) Capital Assets

Capital assets are recorded at cost, and are amortized over their estimated useful lives on a straight-line basis at the following rates:

Furniture & Equipment	10%
-----------------------	-----

Only capital assets with costs in excess of \$5,000 are capitalized.

c) School Generated Funds

These are funds in the community, which come under the control and responsibility of the school principal and are for school activities. Funds which would normally be raised by the school and used for school activities are raised and expended by the Moberly Hall Parents Association. Staff and management of Moberly Hall School Society are not in positions of leadership or control over activities of the Parents Association. The activities of the Parents Association are not reported by Moberly Hall School.

MOBERLY HALL SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

2. SIGNIFICANT ACCOUNTING POLICIES Continued

d) Vacation Pay

Vacation pay is accrued in the period in which the employee earns the benefit.

e) Pensions

The current service and past service costs of the Alberta Teacher Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the Moberly Hall School Society does not make pension contributions for certified staff.

f) Deposits

Included in current assets is a lease deposit for lease of portable classrooms, to be applied to final lease payment.

g) Contributed Services

Volunteers contribute a considerable number of hours per year to various school projects and activities. Because of the difficulty of compiling these hours and the fact that these services are not otherwise purchased, contributed services are not recognized in the financial statements.

h) Financial Instruments

The school society's financial instruments consist of cash, temporary investments, accounts receivable & accounts payable. It is management's opinion that the school society is not exposed to significant interest, currency or credit risks arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

i) Measurement uncertainty The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

3. ACCOUNTS RECEIVABLE

	<u>2004</u>	<u>2003</u>
Alberta Infrastructure	\$ 205,567	\$ -
G.S.T. Rebate Receivable	9,673	11,763
Housing Loans to Employees	6,346	12,632
Other	567	-
	<u>\$ 222,153</u>	<u>\$ 24,395</u>

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Book Value <u>2004</u>	<u>2003</u>
Computers	\$ -	\$ -	\$ -	\$ 550
Furniture & Equipment	11,874	(11,026)	848	1,457
	<u>\$ 11,874</u>	<u>\$ (11,026)</u>	<u>\$ 848</u>	<u>\$ 2,007</u>

MOBERLY HALL SCHOOL SOCIETY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2004

5. ACCOUNTS PAYABLE

	<u>2004</u>	<u>2003</u>
Trade payable	\$ 108,542	\$ 162
Wages & Costs payable (over-paid)	(4,623)	33,569
ATRF payable	21,259	5,619
	<u>\$ 125,178</u>	<u>\$ 39,350</u>

6. DEFERRED REVENUE

	<u>2004</u>	<u>2003</u>
One Time Grant for Kindergarten	12,305	22,825
Energy Rebate	1,692	4,835
Alberta Infrastructure-Facility Expansion	11,220	-
	<u>\$ 25,217</u>	<u>\$ 27,660</u>

The Energy Rebate, received in 2001, is transferred to revenue in an amount equal to the utility costs for the year, (2004 - \$3,143; 2003 - \$3,076).

7. COMMITMENTS

Moberly Hall School Society is committed under an operating lease for its premises, a lease for portable classrooms and a photocopier lease, to the following minimum payments:

2005	145,557
2006	145,557
2007	145,557
2008	138,417
2009	138,417
	<u>713,505</u>

The school receives an annual grant from Alberta Infrastructure for their premises and classroom lease commitments.

8. BUDGET AMOUNTS

The budget was prepared by the school jurisdiction and approved by the board of trustees. It is presented for information purposes only and has not been audited.

9. COMPARATIVE FIGURES

The budget 2004 and actual 2003 comparative figures have been reclassified where applicable to conform to actual 2004 presentation.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

School Jurisdiction Code: 27

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board Governance	System Administration	Total Board & System Admin	External Services
Alberta Learning allocations									
(1) Instruction block	\$427,604	\$20,043	\$407,561						
(2) Support block	\$82,347								
(3) Instruction & support block reallocations	\$0	\$0	\$31,789		\$41,347			\$51,000	
(4) Alberta Initiative for School Improvement (AISi)	\$10,560	\$0	\$10,560		\$0			(\$31,789)	\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0						\$0
(6) Supernet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$17,000	\$0	\$17,000					\$0	\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0						\$0	\$0
(9) Regional Assessment Services (4 boards only)	\$0	\$0						\$0	\$0
(10) Other Alberta Learning revenues	\$0	\$0						\$0	\$0
(11) Total Alberta Learning Revenue	\$19,358	\$10,520	\$8,838	\$0	\$0			\$0	\$0
Alberta Infrastructure	\$598,698	\$30,563	\$475,527	\$0	\$41,347			\$19,231	\$0
(12) Expensed IMP (BOPR) support & portable relocations	\$113,780			\$113,780					
(13) Operations & Maintenance support	\$155,604			\$155,604					
(14) Operations & Maintenance support (One-Time)	\$0			\$0					
(15) Total Alberta Infrastructure Revenue	\$269,384			\$269,384					
(16) Alberta Finance	\$3,143			\$3,143					
(17) Other - Government of Alberta	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(18) Federal Government and/or First Nations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(19) Other Alberta school authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Instruction resource fees	\$4,425	\$0	\$4,425	\$0	\$0			\$0	\$0
(23) Transportation fees	\$15,560				\$15,560				
(24) Other sales and services	\$1,471	\$0	\$1,471	\$0	\$0			\$0	\$0
(25) Investment income	\$2,435	\$0	\$2,435	\$0	\$0			\$0	\$0
(26) Gifts and donations	\$600	\$0	\$600	\$0	\$0			\$0	\$0
(27) Rentals of facilities	\$5,375	\$0	\$5,375	\$0	\$0			\$0	\$0
(28) Net school generated funds	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(29) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(30) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(31) TOTAL REVENUES	\$869,061	\$30,563	\$489,833	\$272,527	\$56,907			\$19,231	\$0
EXPENSES									
(32) Certificated salaries	\$380,649	\$24,949	\$355,700					\$0	\$0
(33) Certificated benefits	\$25,500	\$1,831	\$23,669					\$0	\$0
(34) Uncertificated salaries and wages	\$52,410	\$0	\$50,410	\$2,000	\$0			\$0	\$0
(35) Uncertificated benefits	\$3,781	\$0	\$3,596	\$185	\$0			\$0	\$0
(36) SUB - TOTAL	\$462,340	\$26,780	\$433,375	\$2,185	\$0			\$0	\$0
(37) Services, contracts & supplies	\$374,230	\$10,220	\$74,117	\$205,098	\$65,564	\$1,412	\$17,819	\$19,231	\$0
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(39) Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(41) Unsupported	\$609	\$0	\$0	\$609	\$0	\$0	\$0	\$0	\$0
(42) Total Amortization	\$609	\$0	\$0	\$609	\$0	\$0	\$0	\$0	\$0
Interest on capital debt									
(43) Supported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(46) Losses on disposal of capital assets	\$550	\$0	\$550	\$0	\$0			\$0	\$0
(47) TOTAL EXPENSES	\$837,729	\$37,000	\$508,042	\$207,862	\$65,564	\$1,412	\$17,819	\$19,231	\$0
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$31,332	(\$6,437)	(\$18,209)	\$64,665	(\$8,657)			\$0	\$0

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)						
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement	Total Instruction (Grades 1 to 12)
Certificated salaries	\$351,985	\$0	\$0	\$0	\$0	\$3,715	\$355,700
Certificated benefits	\$23,412	\$0	\$0	\$0	\$0	\$257	\$23,669
Uncertificated salaries and wages	\$7,266	\$43,144	\$0	\$0	\$0	\$0	\$50,410
Uncertificated benefits	\$509	\$3,087	\$0	\$0	\$0	\$0	\$3,596
SUB - TOTAL REMUNERATION	\$383,172	\$46,231	\$0	\$0	\$0	\$3,972	\$433,375
Services, contracts & supplies	\$51,625	\$16,096	\$0	\$0	\$0	\$6,396	\$74,117
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$0						\$0
Amortization of capital assets							
Supported	\$0	\$0	\$0				\$0
Unsupported	\$0	\$0	\$0				\$0
Total Amortization	\$0	\$0	\$0				\$0
Interest on capital debt							
Supported	\$0	\$0					\$0
Unsupported	\$0	\$0					\$0
Other interest charges							
Losses on disposal of capital assets	\$550	\$0					\$550
TOTAL EXPENSES	\$435,347	\$62,327	\$0	\$0	\$0	\$10,368	\$508,042
FTE Certificated				0.0	0.0		
FTE Uncertificated				0.0	0.0		

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION Grades 1 to 12 Program 2003-2004 Details					TOTAL EXPENSES	TOTAL REVENUE	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION				
Basic Instruction								
School Admin & Instruction Support Expenses	\$351,866	\$36,398	\$9,881	\$31,769	\$429,913	\$424,280	\$5,633	
System Instruction Support Expenses						\$62,327	(\$62,327)	
Total Basic Instruction	\$351,866	\$36,398	\$9,881	\$31,769	\$429,913	\$486,607	(\$56,694)	
Sub-Programs & Initiatives								
Severely Disabled	\$0	\$0	\$0		\$0	\$0	\$0	\$0
English as a Second Language	\$0				\$0	\$0	\$0	\$0
Enhanced Opportunities	\$0				\$0	\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0		\$0		\$0	\$0	\$0	\$0
Institutional Programs	\$0				\$0	\$0	\$0	\$0
Sparsity & Distance	\$41,191				\$41,191		\$41,191	
Growth & Density	\$0				\$0	\$0	\$0	\$0
Teacher Assistants Program	\$2,336				\$2,336	\$2,336	\$0	\$0
Early Literacy Initiative (K-2)	\$5,232				\$5,232	\$5,232	\$0	\$0
Learning Resources Credit & Resources for the Classroom	\$3,013	\$0	\$4,425		\$7,438	\$7,438	\$0	\$0
Technology Integration	\$3,476		\$0		\$3,476	\$6,183	(\$2,707)	
French Language Program & Francisation (all jurisdictions)	\$246		\$0		\$246	\$246	\$0	\$0
Home Education	\$0				\$0	\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$55,995		\$4,425		\$59,920	\$21,435	\$38,485	
INSTRUCTION, GRADES 1-12	\$407,361	\$36,398	\$14,306	\$31,769	\$489,833	\$508,042	(\$18,209)	

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$423,928
Support Block - Transportation		\$41,347
SUBTOTAL		\$465,275
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$155,604
Teacher Salary Enhancement		\$17,000
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$0
Federal government/First Nations		\$0
Other Alberta school authorities		\$0
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$1,471
Interest on investments		\$2,435
Rentals of facilities		\$5,375
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$0
School generated funds (Schedule E)		\$0
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$647,159
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		6.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$38,830
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	51,000	\$51,000
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$51,000
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$19,231
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$0
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$19,231
Maximum Expense Limit for Board & System Administration (Step 3)		\$51,000
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$31,769

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$0
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$0	
Less: SGF - related cost recoveries (Note 3)	\$0	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$0	
 Plus: Donations Received (Note 5)	 \$0	
 Equals: Net Additions to SGF		 \$0
 Net SGF Available for discretionary spending		 \$0
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$0
Unexpended SGF - Closing Balance August 31, 2004		\$0
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases; meals for lunch program), or (b) collected and purchases; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$0	\$0	\$0	\$2,000	\$0	\$2,000		\$2,000
Uncertificated benefits	\$0	\$0	\$0	\$185	\$0	\$185		\$185
Sub-total Remuneration	\$0	\$0	\$0	\$2,185	\$0	\$2,185		\$2,185
Contracted Services	\$43,523	\$14,628	\$12,400	\$111,595	\$0	\$182,146		\$182,146
Supplies	\$7,491		\$0	\$0	\$310	\$7,801		\$7,801
Electricity			\$0			\$0		\$0
Natural Gas/Heating Fuel						\$3,143		\$3,143
Sewer and Water			\$3,143			\$0		\$0
Telecommunications			\$4,487			\$4,487		\$4,487
Insurance					\$7,521	\$7,521		\$7,521
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported								
Unsupported							\$0	\$0
Total Amortization							\$609	\$609
Interest on capital debt							\$609	\$609
Supported								
Unsupported							\$0	\$0
Other interest charges				\$0		\$0		\$0
Losses on disposal of capital assets						\$0		\$0
Cost recoveries & transfers						\$0		\$0
TOTAL EXPENSES	\$51,014	\$14,628	\$20,030	\$113,780	\$7,831	\$207,892	\$0	\$207,892
SQUARE METRES								
School Buildings								
Non School Buildings								
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						2,360.0
Contracted Services	0.0	0.0						0.0

Notes:

Custodial: All expenses related to activities undertaken to keep the school environment clean and safe.

Maintenance: All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components.

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications.

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BGRP), and portable relocations), administration of joint-use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt.

Supported Capital & Debt Services:

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

SECTION 140.1 OF THE SCHOOL ACT						
	FTE's	Remuneration	Benefits	Allowances	Performance Bonuses	ERIP's / Other
Chairperson:						
Name Rick Fedotsewch	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Other Board Members:						
Name Rena Doyle	0.0	\$0	\$0	\$0		\$0
Name Ida Fradette	0.0	\$0	\$0	\$0		\$0
Name Stacy Brennan	0.0	\$0	\$0	\$0		\$0
Name Lori Cooper	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Name	0.0	\$0	\$0	\$0		\$0
Subtotal	0.0	\$0	\$0	\$0		\$0
Superintendent Lynn Corcoran	0.1	\$7,200	\$0	\$0	\$0	\$7,200
Superintendent	0.0	\$0	\$0	\$0	\$0	\$0
Secretary/Treasurer Teri Pinksen	0.1	\$7,660	\$0	\$0	\$0	\$7,660
Secretary/Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0
Board Secretary	0.0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Board Treasurer	0.0	\$0	\$0	\$0	\$0	\$0
Certificated Salaries	8.0	\$380,646	\$25,500	\$0	\$0	\$406,146
Uncertificated Salaries & Wages	2.0	\$52,410	\$3,781	\$0	\$0	\$56,191
TOTALS		\$447,916	\$29,281	\$0	\$0	\$477,197

Note: Employed or contracted out. Please refer to completion information on page 15

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERIJs/Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual)

**AUDITED
FINANCIAL STATEMENTS
and Supporting Schedules
FOR THE YEAR ENDED AUGUST 31, 2004**
[School Act, Sections 147(2)(a), 148, 151(1) and 276]

Mother Earth's Children's Charter School Society

Legal Name of School Jurisdiction

Box 1150, Wabamun, Alberta T0E 2K0

Mailing Address

Phone (780)892-7222 Fax (780)892-7223

Telephone and Fax Numbers

SCHOOL JURISDICTION MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements and supporting schedules Mother Earth's Children's Charter School Society

(Legal Name of School Jurisdiction)

presented to Alberta Learning have been prepared by school jurisdiction management which has responsibility for their preparation, integrity and objectivity. The financial statements and schedules, including notes, have been prepared in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

In fulfilling its reporting responsibilities, management has maintained internal control systems and procedures designed to provide reasonable assurance that the school jurisdiction's assets are safeguarded, that transactions are executed in accordance with appropriate authorization and that accounting records may be relied upon to properly reflect the school jurisdiction's transactions. The effectiveness of the control systems is supported by the selection and training of qualified personnel, an organizational structure that provides an appropriate division of responsibility and a strong budgetary system of control.

Board of Trustees Responsibility

The ultimate responsibility for the financial statements lies with the Board of Trustees. The Board reviewed the financial statements with management in detail and the Board approved the financial statements for release.

External Auditors

The Board appoints external auditors to audit the financial statements and meets with the auditors to review their findings. The external auditors have full and free access to school jurisdiction records.

Declaration of Management and Board Chairman

To the best of our knowledge and belief, these financial statements and supporting schedules reflect, in all material respects, the financial position and results of operations and cash flows for the year in accordance with generally accepted accounting principles and Ministerial requirements for Alberta school jurisdictions.

BOARD CHAIRMAN

Siegfried Schmold

Name

"ORIGINAL SIGNED"

Signature

SUPERINTENDENT

John Brosseau

Name

"ORIGINAL SIGNED"

Signature

SECRETARY TREASURER OR TREASURER

Esther Janetzki

Name

"ORIGINAL SIGNED"

Signature

10-Mar-05

Board-approved Release Date

c.c. ALBERTA LEARNING, School Reporting Branch,
8th Floor Commerce Place, 10155-102 Street, Edmonton AB T5J 4L5
EMAIL: Cindy.Jarry@gov.ab.ca
PHONE: (780) 427-7782 FAX: (780) 422-6996

Hawkings Epp Dumont LLP

Chartered Accountants

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AUDITORS' REPORT

To the Board of Trustees
Mother Earth's Children's Charter School Society

We have audited the statement of financial position of Mother Earth's Children's Charter School Society as at August 31, 2004 and the statements of revenues and expenses, cash flows, changes in net assets and capital allocations for the year then ended. These financial statements are the responsibility of the school jurisdiction's management. Our responsibility is to express an audit opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the school jurisdiction as at August 31, 2004 and the results of its operations, changes in cash flows, net assets and capital allocations for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules A through G is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hawkings Epp Dumont LLP

Stony Plain, Alberta
March 8, 2005

Founding Partners
F.J. Bruha, CA (Deceased)
A.W. Whelan, CA (Retired)

HAWKINGS EPP DUMONT LLP
Chartered Accountants

Stony Plain Office
Phone (780) 963-2727
Fax (780) 963-1294
Email: email@hawkings.com

*Professional Corporation

STATEMENT OF FINANCIAL POSITION

as at August 31

(in dollars)

	2004	2003
ASSETS		
Current assets		
Cash and temporary investments	\$28,526	\$0
Accounts receivable (net after allowances)	\$72,166	\$0
Prepaid expenses	\$11,071	\$0
Other current assets	\$0	\$0
Total current assets	\$111,763	\$0
School generated assets	\$0	\$0
Trust assets	\$0	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Capital assets		
Land	\$0	\$0
Buildings	\$39,568	
Less: accumulated amortization	(\$3,957)	\$35,611
Equipment	\$0	
Less: accumulated amortization	\$0	\$0
Vehicles	\$0	
Less: accumulated amortization	\$0	\$0
Total capital assets	\$35,611	\$0
TOTAL ASSETS	\$147,374	\$0
LIABILITIES		
Current liabilities		
Bank indebtedness	\$0	\$0
Accounts payable and accrued liabilities	\$75,669	\$0
Deferred revenue	\$34,650	\$0
Deferred capital allocations	\$0	\$0
Current portion of all long term debt	\$0	\$0
Total current liabilities	\$110,319	\$0
School generated liabilities	\$0	\$0
Trust liabilities	\$0	\$0
Employee future benefits liability	\$0	\$0
Long term debt		
Supported: Debentures and other supported debt	\$0	\$0
Less: Current portion of supported debt	\$0	\$0
Unsupported: Debentures and Capital Loans	\$0	\$0
Capital Leases	\$0	\$0
Mortgages	\$0	\$0
Less: Current portion of unsupported debt	\$0	\$0
Unamortized capital allocations	\$0	\$0
Total long term liabilities	\$0	\$0
TOTAL LIABILITIES	\$110,319	\$0
NET ASSETS		
Unrestricted net assets	\$1,444	\$0
Operating Reserves	\$0	\$0
Accumulated Operating Surplus (Deficit)	\$1,444	\$0
Investment in capital assets	\$35,611	\$0
Capital Reserves	\$0	\$0
Total Capital Funds	\$35,611	\$0
Total net assets	\$37,055	\$0
TOTAL LIABILITIES AND NET ASSETS	\$147,374	\$0

Note: Input "(Restated)" in 2003 column heading where comparatives are not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF REVENUES AND EXPENSES

for the Year Ended August 31

(in dollars)

	Actual 2004	Budget 2004	Actual 2003
REVENUES			
Alberta Learning	\$648,106	\$0	\$0
Alberta Infrastructure	\$249,944	\$0	\$0
Alberta Finance	\$0	\$0	\$0
Other Government of Alberta	\$138,200	\$0	\$0
Federal Government and/or First Nations	\$333,372	\$0	\$0
Other Alberta school authorities	\$37,000	\$0	\$0
Out of province authorities	\$0	\$0	\$0
Alberta Municipalities	\$0	\$0	\$0
Instruction resource fees	\$0	\$0	\$0
Transportation fees	\$0	\$0	\$0
Other sales and services	\$11,661	\$0	\$0
Investment income	\$14	\$0	\$0
Gifts and donations	\$32,945	\$0	\$0
Rentals of facilities	\$0	\$0	\$0
Net school generated funds	\$0	\$0	\$0
Gains on disposal of capital assets	\$0	\$0	\$0
Amortization of capital allocations	\$0	\$0	\$0
Total Revenues	\$1,451,242	\$0	\$0
EXPENSES			
Certificated salaries	\$471,823	\$0	\$0
Certificated benefits	\$46,096	\$0	\$0
Uncertificated salaries and wages	\$221,576	\$0	\$0
Uncertificated benefits	\$11,672	\$0	\$0
Services, contracts and supplies	\$659,062	\$0	\$0
Net school generated funds	\$0	\$0	\$0
Capital and debt services			
Amortization of capital assets			
Supported	\$0	\$0	\$0
Unsupported	\$3,958	\$0	\$0
Total Amortization of capital assets	\$3,958	\$0	\$0
Interest on capital debt			
Supported	\$0	\$0	\$0
Unsupported	\$0	\$0	\$0
Total Interest on capital debt	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0
Total Expenses	\$1,414,187	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES BEFORE UNRESTRICTED REVENUES USED FOR CAPITAL PURPOSES AND EXTRAORDINARY ITEM			
	\$37,055	\$0	\$0
Unrestricted revenues used for capital purposes	\$0	\$0	\$0
Extraordinary Item	\$0	\$0	\$0
SURPLUS (DEFICIT) OF REVENUES OVER EXPENSES	\$37,055	\$0	\$0

Note: Input "(Restated)" in Budget 2004 and/or Actuals 2003 column headings where comparatives are not taken from the respective finalized 2003-2004 Budget Report and/or finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CASH FLOWS
for the Year Ended August 31

(in dollars)

	2004	2003
CASH FLOWS FROM:		
A. OPERATIONS		
Surplus (deficit) of revenues over expenses for the year	\$37,055	\$0
Add (Deduct) items not requiring cash:		
Amortization of capital allocations revenue	\$0	\$0
Total amortization expense	\$3,958	\$0
Gains on disposal of capital assets	\$0	\$0
Losses on sale of capital assets	\$0	\$0
Changes in accrued accounts:		
Accounts receivable	(\$72,166)	\$0
Prepays and other current assets	(\$11,071)	\$0
Long term accounts receivable	\$0	\$0
Long term investments	\$0	\$0
Payables and accrued liabilities	\$75,669	\$0
Deferred revenue	\$34,650	\$0
Employee future benefits	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) of cash from Operations	\$68,095	\$0
B. INVESTING ACTIVITIES		
Purchases of capital assets		
Land	\$0	\$0
Buildings	\$0	\$0
Equipment	\$0	\$0
Vehicles	\$0	\$0
Net proceeds from disposal of capital assets	\$0	\$0
Other (describe) Leasehold improvements	(\$39,569)	\$0
Total sources (uses) of cash from Investing activities	(\$39,569)	\$0
C. FINANCING ACTIVITIES		
Capital allocations received	\$0	\$0
Issue of long term debt	\$0	\$0
Repayment of long term debt	\$0	\$0
Add back: supported portion	\$0	\$0
Other (describe)	\$0	\$0
Total sources (uses) from Financing activities	\$0	\$0
Net sources (uses) of cash equivalents* during year	\$28,526	\$0
Cash Equivalents at the beginning of the year	\$0	\$0
Cash Equivalents at the end of the year	\$28,526	\$0

Notes: Cash equivalents consist of cash and temporary investments net of bank indebtedness.

Input "(Restated)" in 2003 column heading where not taken from the finalized 2002-2003 Audited Financial Statements.

STATEMENT OF CHANGES IN NET ASSETS
for the Year Ended August 31, 2004
(in dollars)

	(1) TOTAL NET ASSETS (Columns 2+3+4)	(2) INVESTMENT IN CAPITAL ASSETS	(3) UNRESTRICTED NET ASSETS	(4) TOTAL RESTRICTED NET ASSETS (Columns 5 to 14)	(5) RESTRICTED NET ASSETS										(13) Transportation	(14) Unrestricted Operating Reserves	(15) Unrestricted Capital Reserves
					(6) School Based		(7) Infrastructure		(8) Board & System Admin.		(9) Unrestricted Operating Reserves		(10) Unrestricted Capital Reserves				
					Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted O & M Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves	Unrestricted Operating Reserves	Unrestricted Capital Reserves			
Balance at August 31, 2003	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Prior period adjustments (describe)																	
	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Adjusted Balance, Aug 31, 2003	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Surplus(def) of revenue over expenses	\$37,055		\$37,055														
Board funded capital transactions		\$39,568	\$39,568	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Donations of non-amortizable assets	\$0	\$0	\$0														
Amortization of capital assets		(\$3,958)	\$3,958														
Amortization of capital allocations		\$0	\$0														
Disposal of unrestricted capital assets	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposal of supported capital assets-unrestricted portion	\$0	\$0	\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt principal payments (unrestricted)		\$0	\$0	\$0													
Net transfers to operating reserves			\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers from operating reserves	\$0		\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net transfers to capital reserves			\$0	\$0													
Net transfers from capital reserves			\$0	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Balance at August 31, 2004	\$37,055	\$35,610	\$1,445	\$0		\$0	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

**STATEMENT OF CAPITAL ALLOCATIONS
(SUPPORTED CAPITAL FINANCING ONLY)**

for the Year Ended August 31, 2004

(in dollars)

	Deferred Capital Allocations	Unamortized Capital Allocations
Balance at August 31, 2003	\$0	\$0
Add:		
Capital allocations from: AB Infrastructure - New/Modernization Projects	\$0	
Other Government of Alberta	\$0	
Federal Government and/or First Nations	\$0	
Other sources	\$0	
Interest earned on provincial government capital allocations	\$0	
Other capital grants and donations	\$0	
Proceeds on disposal of supported capital assets	\$0	
Insurance proceeds	\$0	
Donated capital assets (depreciable, at Fair Market Value)		\$0
Transferred in capital assets (depreciable)		\$0
Current Year Debenture Principal Repayment		\$0
Expended capital allocations - current year	\$0	\$0
Less:		
Unamortized Capital Allocation affected by a disposal through transfer out		\$0
Capital allocations amortized to revenue		\$0
Balance at August 31, 2004	\$0	\$0

Note: Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements.

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2004

1. AUTHORITY AND PURPOSE

The School delivers education programs under the authority of the School Act, Chapter S-3, Statutes of Alberta, January 1, 2002.

The School receives block allocations for instruction and support under Regulation 72/95. The regulation limits funding and expenses for administration. It permits the School, within specified limits, to reallocate funding between the instruction and support blocks.

2. ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and accounting policies consistent with those prescribed by Alberta Learning for Alberta school jurisdictions. The precise determination of many assets and liabilities is dependant on future events. As a result, the preparation of financial statements for a period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies.

(a) Revenue Recognition

Revenue is recognized as follows:

Instruction and support allocations are recognized in the year to which they relate.

Fees for services related to courses and programs are recognized as revenue when such courses and programs are delivered.

Unrestricted contributions are recognized as revenue when received and receivable.

Externally restricted contributions are deferred and recognized as revenue in the period in which the restriction is complied with.

(b) Property and Equipment

Property and equipment is recorded at cost and is amortized over their estimated useful lives on a straightline basis, at the following annual rates:

Leasehold improvements	5 years
------------------------	---------

Only property and equipment with costs in excess of \$5,000 are capitalized.

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2004

2. ACCOUNTING POLICIES (CONT'D)

(c) School Generated Funds

School generated funds are funds in the community which come under the control and responsibility of the school principal and are for school activities. These funds are usually collected and retained at the school for expenditures paid at the school level (e.g. yearbook sales, graduation fees, field trip fees, etc.).

(d) Vacation Pay

Vacation pay is accrued in the period in which the benefit is earned by the employee.

(e) Pensions

The current service and past service costs of the Alberta Teachers Retirement Fund are met by contributions by active members and the Government of Alberta. Under the terms of the Teachers Pension Plan Act, the School does not make pension contributions for certificated staff.

(f) Prepaid Expenses

Certain expenses incurred and paid for before the close of the fiscal year are for specific school supplies, which will be consumed subsequent to the year-end and are accordingly recorded as prepaid expenses. Certain insurance and prepaid rent fall into this category.

(g) Contributed Services

Volunteers assist the School in carrying out certain activities. Because of the difficulty in determining their fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

(h) Financial Instruments

The School's financial instruments consist of cash, accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the School is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximate their carrying values.

3. ACCOUNTS RECEIVABLE

	<u>2004</u>
Alexis Board of Education	\$ 37,000
Federal Government	10,663
Alberta Infrastructure	9,836
Other	<u>14,667</u>
	<u>\$ 72,166</u>

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2004

4. PROPERTY AND EQUIPMENT

Details are as follows:

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value 2004</u>
Leasehold improvements	\$ <u>39,568</u>	\$ <u>3,957</u>	\$ <u>35,611</u>

5. ACCOUNTS PAYABLE

	<u>2004</u>
Trade payables and accrued liabilities	\$ 55,811
Federal Government	11,059
Other Alberta School Jurisdictions	<u>8,799</u>
	\$ <u>75,669</u>

6. DEFERRED REVENUE

	<u>2004</u>
Federal Government	\$ 33,337
Other	<u>1,313</u>
	\$ <u>34,650</u>

MOTHER EARTH'S CHILDREN'S CHARTER SCHOOL

NOTES TO FINANCIAL STATEMENTS (CONT'D)

AUGUST 31, 2004

7. COMMITMENTS

(a) School Lease

The School is committed to a lease agreement with 682533 Alberta Ltd. which expires August 31, 2008. Annual lease payments are as follows:

2005	\$33,600
2006	40,800
2007	48,000
2008	48,000

(b) Portable Lease

The School is committed to a lease agreement with CIBC Equipment Finance which expires August 31, 2008. Annual lease payments of \$39,290 are required during the term of the lease.

(c) Equipment Leases

The School is committed to lease agreements with De Lage Landen Financial Services and Voxcom Security Systems for photocopier equipment and security systems which expire November 30, 2008 and September 30, 2006 respectively. Annual lease payments of \$3,754 and \$360 respectively are required during the terms of the leases.

8. ECONOMIC DEPENDENCE

The School's primary sources of revenue are received from the Province of Alberta and the Government of Canada. The School's ability to continue viable operations is dependent on this funding.

SCHEDULE A to the AFS
ALLOCATION OF REVENUES AND EXPENSES TO PROGRAMS - 2003-2004

School Jurisdiction Code:

REVENUES	TOTAL	Early Childhood Services	Total Instruction (Grades 1 to 12)	Operations and Maintenance of Schools & Maintenance Shops	Transportation	Board & System Administration			External Services
						Board Governance	System Administration	Board & System Admin.	
Alberta Learning allocations									
(1) Instruction block	\$599,792	\$20,943	\$578,749						
(2) Support block	\$0	\$0	\$0		\$0			\$0	\$0
(3) Instruction & support block reallocations	\$0	\$0	\$0		\$0			\$0	\$0
(4) Alberta Initiative for School Improvement (AISi)	\$15,780	\$0	\$15,780						\$0
(5) Student Health Initiative (SHI)	\$0	\$0	\$0						\$0
(6) Supernet Access	\$0	\$0	\$0						\$0
(7) Teacher Salary Enhancement (TSE)	\$29,500	\$0	\$29,500						\$0
(8) Regional P.D. Consortium (6 boards only)	\$0	\$0	\$0						\$0
(9) Regional Assessment Services (4 boards only)	\$3,034	\$0	\$3,034		\$0			\$0	\$0
(10) Other Alberta Learning revenues	\$648,106	\$20,943	\$628,063	\$0	\$0			\$0	\$0
Total Alberta Learning Revenue									
Alberta Infrastructure									
(12) Expensed IMP (BQRP) support & portable relocations	\$30,633	\$0	\$30,633	\$30,633					\$0
(13) Operations & Maintenance support	\$219,311	\$0	\$219,311	\$219,311					\$0
(14) Operations & Maintenance support (One-Time)	\$0	\$0	\$0	\$0					\$0
(15) Total Alberta Infrastructure Revenue	\$249,944	\$0	\$249,944	\$249,944					\$0
Alberta Finance									
(16) Other - Government of Alberta	\$138,200	\$0	\$0	\$0	\$0			\$0	\$138,200
(17) Federal Government and/or First Nations	\$333,372	\$19,452	\$313,920	\$0	\$0			\$0	\$0
(18) Other Alberta school authorities	\$37,000	\$0	\$37,000	\$0	\$0			\$0	\$0
(19) Out of province authorities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(20) Alberta municipalities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(21) Instruction resource fees	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(22) Transportation fees	\$11,001	\$0	\$2,631	\$0	\$0			\$0	\$0
(23) Other sales and services	\$14	\$0	\$0	\$0	\$0			\$14	\$0
(24) Investment income	\$32,945	\$0	\$0	\$4,321	\$0			\$28,624	\$0
(25) Gifts and donations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(26) Rentals of facilities	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(27) Net school generated funds	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(28) Gains on disposal of capital assets	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(29) Amortization of capital allocations	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(30) TOTAL REVENUES	\$1,451,242	\$39,495	\$981,614	\$,54,265	\$0			\$0	\$175,957
EXPENSES									
(32) Certificated salaries	\$471,823	\$33,394	\$438,429					\$0	\$0
(33) Certificated benefits	\$48,098	\$2,439	\$45,658					\$0	\$0
(34) Uncertificated salaries and wages	\$221,516	\$0	\$162,848	\$15,608	\$0	\$43,031		\$43,031	\$0
(35) Uncertificated benefits	\$11,072	\$0	\$9,846	\$1,403	\$0	\$424		\$424	\$0
(36) SUB - TOTAL	\$731,108	\$35,833	\$695,275	\$17,101	\$0	\$43,455		\$43,455	\$0
(37) Services, contracts & supplies	\$659,082	\$8,401	\$177,052	\$258,747	\$172,472	\$17,287		\$17,287	\$29,084
(38) Cost recoveries & transfers (must balance to zero)	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(39) Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
Capital and debt services									
Amortization of capital assets									
(40) Supported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(41) Unsupported	\$3,957	\$0	\$0	\$0	\$0	\$3,957		\$3,957	\$0
(42) Total Amortization	\$3,957	\$0	\$0	\$0	\$0	\$3,957		\$3,957	\$0
Interest on capital debt									
(43) Supported	\$0	\$0	\$0	\$0	\$0			\$0	\$0
(44) Unsupported	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(45) Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(46) Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0
(47) TOTAL EXPENSES	\$1,414,187	\$42,234	\$931,872	\$273,848	\$172,472	\$64,699		\$64,699	\$29,084
(48) Surplus(deficit) before unrestricted revenues used for capital purposes	\$37,055	(\$2,739)	\$149,742	(\$19,583)	(\$172,472)			(\$64,699)	\$146,803

SCHEDULE B to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Expenses

EXPENSES	INSTRUCTION (Grades 1 to 12)							Student Health Initiative	Total Instruction (Grades 1 to 12)
	All Student Instruction	School Admin. & Instruction Support	System Instruction Support	Mildly & Moderately Disabled and Gifted & Talented	Severely Disabled	Alberta Initiative for School Improvement			
Certificated salaries	\$369,857	\$68,572	\$0	\$0	\$0	\$0	\$0	\$0	\$438,429
Certificated benefits	\$42,382	\$1,276	\$0	\$0	\$0	\$0	\$0	\$0	\$43,658
Uncertificated salaries and wages	\$0	\$15,941	\$146,907	\$0	\$0	\$0	\$0	\$0	\$162,848
Uncertificated benefits	\$0	\$1,151	\$8,695	\$0	\$0	\$0	\$0	\$0	\$9,846
SUB - TOTAL REMUNERATION	\$412,239	\$86,940	\$155,602	\$0	\$0	\$0	\$0	\$0	\$654,781
Services, contracts & supplies	\$145,720	\$29,349	\$1,022	\$0	\$0	\$0	\$0	\$0	\$177,092
Cost recoveries & transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortization of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Amortization	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest on capital debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Unupported	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other interest charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Losses on disposal of capital assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENSES	\$557,959	\$116,289	\$156,624	\$0	\$0	\$0	\$0	\$0	\$831,873
FTE Certificated				0.0	0.0				
FTE Uncertificated				0.0	0.0				

SCHEDULE C to the AFS
INSTRUCTION Grades 1 to 12 Program 2003-2004 Details

	INSTRUCTION					NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE	TOTAL EXPENSES	NET
	AB LEARNING INSTRUCTION BLOCK REVENUE	ALBERTA LEARNING OTHER REVENUE	NON-ALBERTA LEARNING REVENUE	INSTRUCTION BLOCK REALLOCATION	TOTAL REVENUE					
Basic Instruction	\$569,854	\$48,314	\$353,551	\$0	\$971,719			\$971,719	\$558,960	\$412,759
School Admin & Instruction Support Expenses										(\$116,289)
System Instruction Support Expenses										(\$156,624)
Total Basic Instruction	\$569,854	\$48,314	\$353,551	\$0	\$971,719			\$971,719	\$831,873	\$139,846
Sub-Programs & Initiatives										
Severely Disabled	\$0	\$0	\$0		\$0			\$0	\$0	\$0
English as a Second Language	\$95				\$95			\$95	\$0	\$95
Enhanced Opportunities	\$0				\$0			\$0	\$0	\$0
First Nations, Metis, and Inuit Education	\$0		\$0		\$0			\$0	\$0	\$0
Institutional Programs	\$0				\$0			\$0	\$0	\$0
Sparsity & Distance	\$0				\$0			\$0	\$0	\$0
Growth & Density	\$0				\$0			\$0	\$0	\$0
Teacher Assistants Program	\$0				\$0			\$0	\$0	\$0
Early Literacy Initiative (K-2)	\$1,200				\$1,200			\$1,200	\$0	\$1,200
Learning Resources Credit & Resources for the Classroom	\$5,696	\$0	\$0		\$5,696			\$5,696	\$0	\$5,696
Technology Integration	\$2,904		\$0		\$2,904			\$2,904	\$0	\$2,904
French Language Program & Francisation (all jurisdictions)	\$0		\$0		\$0			\$0	\$0	\$0
Home Education	\$0		\$0		\$0			\$0	\$0	\$0
Total Sub-Programs & Initiatives	\$9,895	\$48,314	\$353,551	\$0	\$981,614			\$981,614	\$831,873	\$149,741
INSTRUCTION, GRADES 1-12	\$579,749	\$48,314	\$353,551	\$0	\$981,614			\$981,614	\$831,873	\$149,741

SCHEDULE D to the AFS
CALCULATION OF MAXIMUM ELIGIBLE EXPENSE LIMITS FOR
BOARD (GOVERNANCE) AND SYSTEM ADMINISTRATION 2003-2004

STEP 1		
Determine the total eligible revenue which is used as the BASE TOTAL to calculate the maximum eligible expense limits for Board and System Administration		
Total Revenues (Schedule A):		
Instruction Block - Grades ECS -12 (excluding technology integration)		\$596,888
Support Block - Transportation		\$0
SUBTOTAL		\$596,888
Other Revenues		
Alberta Infrastructure (Operations & Maintenance and Lease support)		\$219,311
Teacher Salary Enhancement		\$29,500
Other Alberta Learning revenues (Describe)		\$0
Other - Government of Alberta (Excluding Alberta Finance)		\$138,200
Federal government/First Nations		\$333,372
Other Alberta school authorities		\$37,000
Out of province local authorities		\$0
Alberta municipalities		\$0
Other sales and services		\$11,661
Interest on investments		\$14
Rentals of facilities		\$0
Gains on disposal of capital assets		\$0
Amortization of capital allocations		\$0
School generated funds (Schedule E)		\$0
BASE TOTAL FOR CALCULATING MAXIMUM EXPENSE LIMIT		\$1,365,946
STEP 2		
Calculation of maximum expense limit PERCENTAGE for Board and System Administration expenses		
If "Total Net Enrolled Students" are 6,000 and over = 4%		6.00%
If "Total Net Enrolled Students" are 2,000 and less = 6%		
The Maximum Expense Limit for Board and System Administration is based on an arithmetical proration for the TOTAL FTE count for grades 1 - 12, net of Home Education AND Adult students, between 2,000 to 6,000 at .0005 per FTE.		
EXAMPLE: 4,500 FTE count grades 1-12 = 6,000 - 4,500 = 1,500 X .0005 = .75% plus 4% = maximum expense limit of 4.75%.		
Note: Calculation unnecessary if Total FTE is 6,000 or more, and 2,000 & less.		
STEP 3		
Calculate maximum expense limit AMOUNTS for Board and System Administration expenses		
Maximum Expense Limit percentage (Step 2) x Base Total (Step 1)		\$81,957
Considerations for Charter Schools and Small Boards:		
If Charter School, enter 51,000	51,000	\$81,957
If Francophone Board, enter 400,000	0	\$0
(If none of these considerations apply, leave the above cells blank)		
MAXIMUM EXPENSE LIMIT		\$81,957
STEP 4		
Compare maximum expense limit amounts calculated in Step 3 to actual expenses (from Schedule A)		
Actual Board Governance & System Administration expenses		\$64,699
PLUS: transfers to Restricted - Operating (Board/System Administration)		\$0
LESS: transfers from Restricted - Operating (Board/System Administration)		\$0
TOTAL BOARD GOVERNANCE & SYSTEM ADMINISTRATION EXPENSES		\$64,699
Maximum Expense Limit for Board & System Administration (Step 3)		\$81,957
ACTUAL EXPENSES - OVER(UNDER) MAXIMUM EXPENSE LIMIT		-\$17,258

SCHEDULE E to the AFS
SOURCE & APPLICATION OF SCHOOL GENERATED FUNDS (SGF) - 2003-2004

Unexpended SGF - Opening Balance August 31, 2003 (Note 1)		\$0
Source of School Generated Funds:		
Total School Generated Funds for the year (Note 2)	\$0	
Less: SGF - related cost recoveries (Note 3)	\$0	
- capitalized at the District level (Note 4)	\$0	
Net Total	\$0	
Plus: Donations Received (Note 5)	\$0	
Equals: Net Additions to SGF		\$0
Net SGF Available for discretionary spending		\$0
Net SGF revenue and Net SGF expense - per schedule A, lines 28 and 39		
Net expended SGF for discretionary purposes (Note 6)		\$0
Unexpended SGF - Closing Balance August 31, 2004		\$0
Note 1 Input "(Restated)" beside Balance at August 31, 2003 where not taken from the finalized 2002-2003 Audited Financial Statements. Note 2 Excludes fees collected pursuant to Section 60(2)(j) of the School Act (e.g. instruction materials and technology fees determined by board policy or resolution). Includes any SURPLUS amount of current year cafeteria operating revenues over related cafeteria operating expenses. This total SGF for the year is the amount used to calculate the Schedule D administrative cap. Note 3 These are the expenses (a) incurred in generating SGF (e.g. fundraising expenses, printing of tickets, payment to DJ at school dance; staffing and supplies for a dinner; raffle prizes; supplies for a car wash; book fair purchases, meals for lunch program), or (b) collected and purchased; meals for lunch program), or (b) collected and disbursed for the benefit of individual students (e.g. cost of field trips for student activities not leading to CEU's). Monies collected for CEU-related activities are not SGF, they are recorded as instruction resource fees. As only the current year's "surplus" amount of school cafeteria operating revenues over school cafeteria operating expenses is considered a source of total school generated funds for the year, cafeteria expenses/COGS are NOT included in SGF-related cost recoveries. Note 4 All capital items purchased with SGF should be purchased through the District office. As with related cost recoveries, they are not included in the net SGF amounts and should be subtracted out of gross SGF. Note 5 Donations are restricted to cash; gifts in kind are treated as board assets, not SGF. Amounts are net of related expenses. Note 6 Only SGF expended for discretionary purposes are recorded as revenue and expense; unexpended funds are carried forward on the balance sheet to the succeeding year. Any capital items purchased with SGF should be treated in a similar manner as a SGF-related cost recovery and subtracted out of gross SGF.		

**SCHEDULE F to the AFS
Operations and Maintenance Program 2003-2004 Expenses**

EXPENSES	Custodial	Maintenance	Utilities and Telecommunications	Expensed IMP & Portable Relocations	Facility Planning & Operations Administration	SUB-TOTAL Operations & Maintenance	Supported Capital & Debt Services	TOTAL Operations and Maintenance
Uncertificated salaries and wages	\$8,850	\$5,848	\$0	\$0	\$0	\$15,698		\$15,698
Uncertificated benefits	\$900	\$603	\$0	\$0	\$0	\$1,403		\$1,403
Sub-total Remuneration	\$9,650	\$7,451	\$0	\$0	\$0	\$17,101		\$17,101
Contracted Services	\$9,458	\$2,905	\$3,124	\$181,710	\$0	\$197,197		\$197,197
Supplies	\$5,474	\$21,125	\$0	\$0	\$0	\$26,599		\$26,599
Electricity			\$1,217			\$1,217		\$1,217
Natural Gas/Heating Fuel			\$3,989			\$3,989		\$3,989
Sewer and Water			\$5,544			\$5,544		\$5,544
Telecommunications			\$10,848			\$10,848		\$10,848
Insurance					\$11,354	\$11,354		\$11,354
Net school generated funds	\$0	\$0	\$0	\$0	\$0	\$0		\$0
Amortization of capital assets								
Supported							\$0	\$0
Unsupported							\$0	\$0
Total Amortization								
Interest on capital debt								
Supported							\$0	\$0
Unsupported							\$0	\$0
Other interest charges								
Losses on disposal of capital assets								
Cost recoveries & transfers								
TOTAL EXPENSES	\$24,582	\$31,481	\$24,722	\$181,710	\$11,354	\$273,849	\$0	\$273,849
SQUARE METRES								
School Buildings								0.0
Non School Buildings								0.0
STAFF FTE'S (Completion Optional for 2003/2004)								
Board Employed	0.0	0.0						
Contracted Services	0.0	0.0						

Notes:

All expenses related to activities undertaken to keep the school environment clean and safe

All expenses associated with the repair, replacement and minor construction of buildings, grounds and equipment components. This includes regular and preventative maintenance undertaken to ensure components reach or exceed their life cycle and the repair of broken components

All expenses related to electricity, natural gas and other heating fuels, sewer and water, and all forms of telecommunications

All expenses associated with non-capital activities related to Infrastructure Maintenance Program (IMP) and portable relocations

All expenses related to the administration of operations and maintenance including (but not limited to) contract administration, clerical functions, negotiations, supervision of employees and contractors, administration of capital projects (including new schools, IMP (BQRP) and portable relocations), administration of joint use agreements, and all expenses related to ensuring compliance with health and safety standards, codes and government regulations.

All expenses related to supported capital assets amortization and interest on supported capital debt

Utilities & Telecommunications:

Expensed IMP & Portable Relocations:

Facility Planning & Operations Maintenance:

Supported Capital & Debt Services:

**SCHEDULE G to the AFS
DISCLOSURE OF SALARIES AND BENEFITS - 2003-2004
(SECTION 148.1 OF THE SCHOOL ACT)**

[illegible]

Note: Employed or contracted out. Please refer to completion information on page 15.

Please explain below (on rows 49-51) where FTE is not equal to 1, on positions contracted out or shared, and for any reporting under ERI's Other (i.e. retiring allowance, vacation payout, partial year payment for 2nd individual).

